Austria Sch 15	Indonesia Rp 1100	Philippines Pes 20
Bahrain Din 0.650	Italy L 1100	Portugal Esc 60
Belgium BFr 35	Japan Y350	S. Arabia Rls 5.50
Canada C$1.50	Jordan Fils 500	Singapore S$2.80
Denmark DKr 7.00	Kuwait Fils 450	Spain Pts 85
Egypt P 750	Lebanon LL 5.00	Sweden SKr 6.50
Finland Fmk 5.00	Luxembourg LFr 35	Switzerland SFr 2
France Fr 5.00	Malaysia Rm 3.65	Tunisia Din 0.600
Germany DM 2.00	Morocco Dh 6.00	Turkey L 130
Greece Dr 50	Netherlands Dfl 2.25	U.A.E. Dh 5.00
India Rup 15	Norway NKr 6.00	U.S.A. $1.50

FINANCIAL TIMES

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Thursday December 2 1982

D 8523 B

French union chief takes up a critical stance, Page 2

NEWS SUMMARY

GENERAL

Kennedy 'will not stand in 1984'

Senator Edward Kennedy surprised the U.S. by announcing that he would not seek the Democratic nomination for the presidency in 1984, because of family considerations.

Opinion polls have for a long time marked him as the most likely man to win the nomination, and he said he was convinced he could have won it.

His decision leaves as the leading Democratic contender, former Vice President Walter Mondale. Page 20

Nato's study plan

Nato's defence ministers meeting in Brussels commissioned a study on how new technology can update its conventional forces. Figures released showed that the U.S. will spend about $198.5bn, an estimated 6.8 per cent of its gross national budget, on defence this year. Page 2

Argentine advance

Argentina's military rulers have brought forward the proposed presidential election from March 1984 to the last quarter of 1983, to stem growing civilian opposition to the Government. Page 4

Walesa's vow

Lech Walesa, former leader of the now banned Polish union movement Solidarity, recently released from detention, left the *Jasna Gora* monastery at Czestochowa with his wife, having vowed to help defend freedom and human rights.

Sri Lanka expulsion

Sri Lanka has accused U.S. diplomat Kenneth Munro of interfering in its internal affairs, and has asked him to leave.

Financier convicted

Hong Kong Appeals Court convicted financier Amos Dawe, who is missing, of multi-million dollar fraud charges, and sentenced him to five years' jail.

U.S.-Brazil links

United States and Brazil are to set up a series of ministerial level working groups to cover a range of economic fields, including military supplies. Page 20

Submarines netted

Britain's first submarine, Holland I, which sank in 1913, was raised to the surface in Devonport. Current nuclear sub, HMS Spartan, was caught in a fishing trawler's nets off Land's End.

Artificial heart implant

Today, at Salt Lake City, a 61-year-old dentist with incurable heart disease will be given the world's first permanent artificial heart, made of polyurethane.

Wristwatch TV

Japanese group Seiko has produced a wristwatch television, with a 1.2 inch (3cm) screen, with a separate box for channel selection and stereo sound volume carried in a pocket. It costs Y100,000 ($432).

Two-year ban sought

Asian Football Federation recommended a two-year international ban on North Korea, after their players attacked a Thai referee who awarded a penalty to Kuwait, who beat the Koreans 3-2 in an Asian Games match in New Delhi.

Briefly . . .

Five poachers were shot dead in South Africa's Kruger Park, where thieves have killed at least 137 elephants recently.

Dutch Government will refuse visas to South African sports players.

Moscow's Bolshoi Ballet will visit China this month.

BUSINESS

Wall St closes mixed; £ improves

● LONDON: FT Industrial Ordinary index rose 9.4 to 605.9. Government Securities showed gains averaging two thirds of one per cent. Page 35

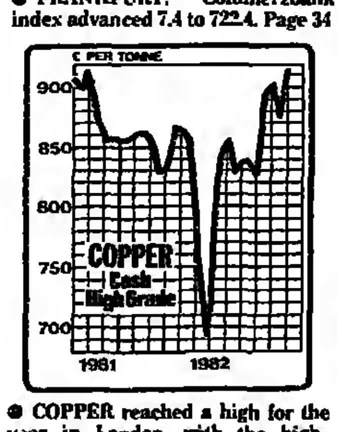
● WALL STREET: Dow Jones index closed down 6.19 at 1,031.09. Page 34

● TOKYO: Nikkei Dow index gained 71.15 to 7,968.77, and the Stock Exchange index put on 2.99 to reach 581.35. Page 34

● HONG KONG: Hang Seng index rose 6.31 to 710.34. Page 34

● AUSTRALIAN all-shares index edged up 1.6 to 485.9. Page 34

● FRANKFURT: Commerzbank index advanced 7.4 to 722.4. Page 34



● COPPER reached a high for the year in London, with the high-grade cash price £13.25 up at £915 ($1,490) and the three-month quotation £13 higher at £925.75 a tonne. Page 25

● STERLING continued to show modest improvement, rising 50 points to $1.6265, and to DM 4.03 (DM 4.01), FFr 11.375 (FFr 11.34), SwFr 3.455 (SwFr 3.445), and Y406.5 (Y406). Its Bank of England trade-weighted index edged up from 86.7 to 86.8. Page 40

● DOLLAR rose to DM 2.475 (from DM 2.471), was unchanged at FFr 6.9875 and SwFr 2.12, and eased to Y249.6 (Y249.9). Its trade weighting, catching up with later Tuesday falls, fell from 122.5 to 121.5. Page 40

● GOLD fell $2.5 in London to $435.5. In Frankfurt it rose $4.75 to $440 and in Zurich by $4 to $438.5. Page 25

● U.S. SECURITIES firms showed a record $970m profit in the third quarter, more than 20 per cent above the previous best quarter, the second in 1980. Page 21

● POLAND'S industrial output, first expected to fall 15 per cent this year, will probably decline by one to two per cent.

● JAPAN'S video recorder exports fell 14 per cent to 1.04m in October from September's record 1.21m.

● ANGOLA will resume iron ore exports next year after an eight-year break, says Austromineral, which is working to reopen the mines.

● KRUGERRAND sales rose to 262,482oz in November, from 20,198 in September and 50,768 in October.

● BRITAIN'S National Coal Board is heading for a 1982 loss of £450m ($733m), about £20m up on last year. Page 5

COMPANIES

● NU-WEST, the Canadian energy and property group which lost $148.2m in the first nine months and has been selling assets, is renegotiating its debt with bankers. Page 21

● VEBA, the chemicals and trading group that is West Germany's biggest industrial concern, reported profits 6.2 per cent down in the first nine months at DM 675m ($273m). Page 21

● PREUSSAG, the West German metals, energy and transport group, reported sales for the first three quarters of the year 2.2 per cent up at DM 2.94bn ($1.19bn), *with falling profitability*. Page 21

Five-nation talks on debts to banks and IMF quotas

BY JONATHAN CARR IN BONN AND MAX WILKINSON IN LONDON

Finance ministers and central bankers of the world's five leading industrial powers are to meet near Frankfurt next Thursday to discuss the continuing threat to the international banking system posed by the burden of Third World debts.

They will be hoping to reach agreement on measures to strengthen the financial position of the International Monetary Fund through an accelerated increase in quota subscriptions. They will also be discussing the prospects for further reductions in interest rates, as a means of stimulating economic activity and lightening the burden of debt repayments.

The meeting, between representatives of the U.S., Japan, France, Britain and West Germany, follows a round of informal discussions which started at the IMF's annual meeting in Toronto in September.

At that meeting, the U.S. was reluctant to agree to an increase in the IMF quotas of more than 25 per cent. It is now thought to have conceded informally that an increase of 40 per cent would be needed. At the Frankfurt meeting, the European ministers will seek to move the U.S. to agree to a 50 per cent increase.

This is the minimum which they believe to be needed to assure the IMF of enough financial weight to assist the rescheduling of loans to some of the major debtor countries including Mexico, Brazil and Argentina.

Although the fund is not facing a financial squeeze at present, member governments are anxious that it should not be inhibited in future from playing a major role in helping some debtor countries return to financial prudence.

The group will also be seeking to agree an accelerated programme for increasing the IMF's quota subscriptions from the present level of about $66bn. It is now hoped that the increases will be brought forward from 1986 to 1984.

They will also be considering proposals to extend the General Arrangements to Borrow (GAB), at present restricted to the 10 major countries, to enable funds to be released to debtor countries outside the group under suitable circumstances and conditions.

This stems from the idea for a so-called "crisis fund" suggested at Toronto by the U.S. as a way of damping down what then appeared to be a gathering financial storm.

It now seems unlikely that Saudi Arabia will join the GAB as was suggested at one time although the IMF has been given substantial loans from the Saudis.

The group of five are also expected to agree in Frankfurt that the next interim committee meeting of the IMF should be brought forward from the scheduled date in April to January or February.

It is thought that this would demonstrate the concern of the world's leaders to be seen to be doing something to quell anxiety about current dangers to the banking system.

The group of five is an informal club which usually meets in secret. Although it cannot make binding decisions in respect to the IMF, it can have a very large influence on the outcome because of the voting power of the larger industrial countries, particularly the U.S.

Besides considering IMF quotas, the West Germans also expect discussion to centre on prospects for further cuts in interest rates – above all in the U.S.

Herr Karl Otto Pöhl, the Bundesbank president, has repeatedly stressed that he feels a further reduction in American rates to be crucial to a Western economic upswing *over the next year*.

UK banks monitor international debt, Page 20

Italian ministers differ over economic policy

BY JAMES BUXTON IN ROME

THE TWO senior economic ministers in Italy's new Government, which was sworn in yesterday, have sharply contrasting views of the best way to tackle the country's alarming economic difficulties.

The appointments show that Sig Amintore Fanfani, the veteran Prime Minister, has failed to implement his original plan to fill these key posts with authoritative, non-political figures.

The last Government, which collapsed only 18 days ago, was brought down by irreconcilable differences between the Christian Democrat Sig Nino Andreatta at the Treasury and the Socialist Sig Rino Formica at the Finance Ministry.

Public expectations of the four-party coalition guided by the 74-year-old Christian Democrat have been sharply reduced in the past few days by the dilution of its originally severe economic programme.

The new Treasury Minister, responsible for government spending and economic management, is Sig Giovanni Guiseppe Goria, a 39-year-old economist who has been the economic adviser of Sig Ciriaco de Mita, the Christian Democrat party leader.

He strongly favours tough action to cut Italy's soaring public sector deficit, reduce inflation and hold down labour costs.

At the Ministry of Finance, which is responsible for taxation and revenue, the new minister is Sig Francesco Forte, 53, the Socialist party's chief economist. He has been a fierce critic of the Christian Democrat line on economic policy, and favours a softer and less deflationary approach.

The third and least important economic ministry, *that of the budget*, has gone to Sig Guido Bodrato, a Christian Democrat.

It is unlikely that Sig Goria and Sig Forte will find it easy to work together.

Though 10 new *ministers* have joined the 28-man Cabinet, most

Continued on Page 20

EEC and Hong Kong resolve doubts on textile imports pact

BY GILES MERRITT IN BRUSSELS

THE EEC and Hong Kong have agreed on a four-year textile imports regime that lifts doubts over the European Community's continuing participation on the international Multi-Fibre Arrangement (MFA) world textile trading pact.

The EEC-Hong Kong deal is seen in Brussels as a significant development that will permit the EEC's MFA agreement with 28 low-cost textile exporting nations to be renewed for the four years until end-1986.

As the most militant of the four "dominant" suppliers – Hong Kong, South Korea, Macao and Taiwan that account for 40 per cent of the EEC's textile imports – the British Crown Colony's decision to accept new terms from the Brussels Commission is expected to mark the end of the tense negotiations that have *threatened the future of the MFA* framework.

Earlier refusals by the four "dominants" to accept the terms of bilateral deals under the MFA that appeared restrictive had prompted the EEC to threaten to abandon the overall pact and so imperil those countries' traditional European exports.

Now that Hong Kong has signed a new bilateral deal, however, the likelihood is that South Korea and Macao will shortly follow suit.

Taiwan's uncertain political status has traditionally robbed Nationalist China of similar negotiating flexibility, even though Taiwan is almost certain to receive terms that reflect those secured by the other South East Asian dominant suppliers.

The conflict between Hong Kong and the EEC over the new MFA that has marked relations over the past year has ended with a compromise deal that, surprisingly, is satisfactory to both parties.

The volume of Hong Kong's textile and clothing exports to the EEC will, as a result, be running next year at 1981 levels.

The *deal* came at the end of the third round of intensive negotiations between the two sides, and it is understood that the breakthrough stemmed from the EEC negotiators' ability to offer a *last-minute softening of the Community's* demands for cuts.

As a result of the bilateral pacts concluded since the summer with almost all the MFA suppliers, the Brussels Commission calculated that there was more leeway in terms of the overall EEC global ceilings on textile imports than had originally been anticipated.

As a result, Hong Kong was offered and accepted cuts – reductions in restraint levels – of between 8.3 per cent and 6.3 per cent in the five most sensitive categories of T-shirts, sweaters, trousers, blouses and shirts, that compared favourably with the average 12 per cent cuts formerly sought. In effect, the revised EEC demand means that next year there will be no real drop in Hong Kong's textile exports to the EEC.

At the same time, Hong Kong's dogged refusal to accept the new MFA *has also been overcome by* agreement on new growth rates that, while lower than under the MFA framework expiring at the end of this year, now stand at some 0.5 per cent for all sensitive categories rather than the 0.1 per cent level originally on offer.

Dow quits Saudi chemical venture

By Carla Rapoport in London

DOW CHEMICAL, the second largest U.S. chemical producer, is pulling out of a $1.5bn joint petrochemical venture with Saudi Arabia.

The slower growth in demand for petrochemicals and widespread overcapacity in the industry are the main reasons behind Dow's decision. The company will take a $26m write-off in the fourth quarter as a result of withdrawing from the Saudi Arabian project, agreed in May, 1981.

Following Dow's decision Saudi Basic Industries Corporation (Sabic) said it will scrap part of the planned complex, specifically plans to produce 160,000 tonnes of high and linear low polyethylene a year by 1985.

It will proceed without Dow, however, on plans for producing 500,000 tonnes a year of ethylene in Jubail, in the Eastern Province. Ethylene is the basic ingredient for a wide variety of plastics, including polyethylene.

The Dow deal was only one of a large number of petrochemical projects which Saudi Arabia is developing. The new Saudi industry will be based on the country's own natural gas and, as a result, is expected to be extremely competitive when it comes on stream in 1985.

Partners in other Saudi projects include Mobil Chemical, Exxon Chemical, Shell Oil and a Japanese consortium led by Mitsubishi.

Dow's withdrawal from the project comes only a week after it announced the termination of a joint venture to build a petrochemical complex in Yugoslavia.

Mr Bob Charlton, Manager of Financial Communications at Dow Chemicals, said the two decisions were not related. The Yugoslav deal did not require "Dow dollars."

The company was trying to reduce its debt-equity ratio and the withdrawal from the Saudi project would help to further this aim. The group's debt-equity ratio had already dropped from 50 per cent a year ago to about 45 per cent, he said.

At the end of October, the Michigan-based company announced a 73 per cent decline in third quarter profits. For the first nine months of the year the company recorded net income of $329m on sales of $8.1bn, compared with $497m on sales of $8.9bn a year earlier.

The company said yesterday it hoped to earn more than 50 per cent of its profits from speciality chemicals by the late 1980's.

Bonn holds up new Arbed Saarstahl aid

BY JONATHAN CARR IN BONN

ARBED SAARSTAHL one of West Germany's leading steel producers moved a step closer to collapse yesterday when the Bonn Government took a tough stance over provision of new aid.

Count Otto Lambsdorff, the Economics Minister, announced after a Cabinet meeting that Bonn was not ready to save the deeply-indebted enterprise simply by pumping more taxpayers' money into it.

His strong statement not only im*plies that a further 20,000 jobs are* seriously in danger in the state of the Saarland (bordering France), where the unemployment rate is already close to 12 per cent. It also makes clear that Bonn is on a confrontation course with the country's biggest trade union IG Metall, shortly before the start of the annual wage round and only months before a general election.

Count Lambsdorff left no doubt that he felt the impasse over Arbed Saarstahl – which has received more than DM 2bn (£810m) in public grants and guarantees so far – was chiefly caused by the union's "stubborn attitude."

The Minister recalled that when *Bonn agreed last month to put up* more aid, it had done so on condition that contributions also came from the parent company – Arbed Luxembourg – as well as from the banks and the labour force.

Count Lambsdorff said Arbed Luxembourg had not felt able to put up a requested credit of at least four years' duration. It had made a counter-offer which was "unsatisfactory."

The banks – already holding some DM 2bn of the company's debt – were ready to put up new credit and make interest rate concessions. But they insisted that all those involved, including the trade union, play a part too.

IG Metall, however, had rejected a proposal under which the labour force would turn over part of its special Christmas money as a loan *to the company, Count Lambsdorff* said.

A brief telegram from IG Metall – received on Monday – had stated that the union believed the Government was trying to interfere in the independent wage bargaining process. "We are shocked about a declaration which in no way corresponds to the exceptionally difficult situation on the Saar," Count Lambsdorff said.

Count Lambsdorff said that if Arbed Saarstahl collapsed, then Bonn would urge other German steel companies to try to take over some of the facilities as part of their current restructuring plans.

This suggestion, however, comes *at a time when these restructuring efforts* – notably to form a giant Ruhrstahl company in North Rhine-Westphalia – have run into severe problems.

The Saarland has long been

Continued on Page 20

British Steel cuts first-half loss, Page 5

Mexico will relax exchange controls

BY HUGH O'SHAUGHNESSY AND WILLIAM CHISLETT IN MEXICO CITY

MEXICO's new President, Sr Miguel de la Madrid, who took office yesterday, said his Government would maintain a "realistic" exchange rate and *would relax* the system of full exchange controls.

The statement, made during his inaugural speech, added weight to the mounting speculation that Mexico may further devalue the peso by either unifying the present two fixed exchange rates to make one freely-floating rate or introducing a third rate.

At the moment there is a preferential rate of 50 pesos per U.S. dollar for essential imports and foreign debt payments and another rate of 70 pesos per dollar for other needs.

Both rates are considered to overvalue the peso, since Mexico's rate of inflation of about 90 per cent this year is vastly different from that of the U.S., its major trading partner.

On the flourishing black market and on the U.S. side of the border, the peso is exchanged at the rate of up to 150 per dollar.

Sr de la Madrid, who succeeded *Sr Jose Lopez Portillo*, said he wanted to bring more dollars into the recently nationalised banking system and promote a higher level of exports.

The tough and realistic tone of *his speech* was welcomed by foreign bankers and businessmen who

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CONTENTS

Edmond Maire: French union chief who believes wages must fall

David Housego and John Lloyd speak to the leader of the pro-Socialist CFDT who was in Marseilles last week to drum up support for his policies which aim to save jobs but keep industry competitive, too. A determined critic of the Government, he is pressing for it to return to its earlier prioritys of helping the unemployed and the low-paid.

IT IS a firm belief of M Edmond Maire, leader of France's pro-Socialist CFDT union, that the cosy relationship between the West German trade unions and Chancellor Helmut Schmidt was ultimately damaging to the credibility of both. M Maire has no intention of falling into that trap.

He sees it as his duty to remain critical towards a left-wing government that would like a "social contract" with the unions and is particularly anxious now for their co-operation in implementing an incomes policy.

"It's our task," he says, "to see that the Government gets back on the right path and sticks to its priorities."

Unexpectedly shy, and with a rather shambling schoolmasterly manner, M Maire none the less is a man who can hold an audiences spellbound. He is one of the outstanding post-war union leaders in France (and by far the most popular today), and perhaps in Europe as well. His strength is that he is both Utopian and realist.

His Utopian side comes through in his passionate belief that the only answer to the problem of long-term structural unemployment is a shorter 35-hour working week, accompanied by a drop in salary. This is heresy to France's other main unions—the Communist-led CGT and the centrist Force Ouvriere—as it is to unions in Britain.

The Government, while accepting the principle, jibs at the unpopularity of implementing it. But M Maire had it accepted by 60 per cent of his union earlier this year and thus as official policy. "The loss of salary," he says, "is the only possible serious position if you want to keep industry competitive."

He has even made this policy the main plank of the CFDT campaign in the "prud' homme" elections to be held on December 8. The "prud' homme" is an institution dating back to Napoleonic times which provides joint worker/employer tribunals to settle industrial disputes.

The elections will be the first serious test of the strength of the rival unions since the Socialists came to power, and M Maire was in Marseilles last week to drum up support. They will also be a crucial test of whether his work-sharing policies are gaining ground.

His realist side comes out in the steadfastness of his criticism of the Government. If there is disillusion now, he says, it is because the Left promised more than they could deliver. "For 25 years they told the workers: 'You only need vote for us, we will pass the laws that will rapidly bring inflation and unemployment under control. . . .'"

In particular, he holds it against the Government that it pursued policies last year aimed at creating jobs, while paying scant attention to inflation or the trade deficit. This year, it has gone to the opposite extreme of fighting inflation without paying sufficient attention to employment.

M Maire's anxiety now is that it is the middle classes and civil servants who are being sheltered from the impact of the Government's austerity measures. Hence the message that he is preaching up and down the country, that the Government must revert to its earlier priorities of helping the unemployed and those on minimum or low wages.

Next year, he says, "the unemployed will probably be the only group to suffer a serious loss of purchasing power," through the cuts in unemployment benefits.

A theme to which he returns time and time again is: "We must tell things as they are." It does not worry him that the truth is often uncomfortable.

At a meeting of the union's regional executive in Marseilles last week over which he presided—it is characteristic of the openness of the CFDT that it allowed two foreign reporters to sit in on what is normally a closed session—M Maire was asked repeatedly why the nationalised industries still practised, the same "capitalist" style of management as before.

His answer was that "for years we have been seduced into thinking that nationalised industries would be better than private enterprise. It is not true." Nationalisation gave the possibility of change but it was up to the workers to take advantage of it.

To a militant who sought his blessing for a strike by radio and television staff, M Maire held out little comfort. Strike action, he argued should be resorted to only after all other avenues had been exhausted—particularly when it involved the disruption of others' lives.

At 51 he has been head of the CFDT (Confederation Francaise Democratique du Travail), France's second largest union, for 10 years. In sharp contrast to its lumbering big brother, the CGT, which still emphasises the class struggle as the basis for worker-employer relations, the CFDT has struck out in new directions under M Maire.

It has pioneered "autogestion" (self-management), the French approach to getting workers more deeply involved in decisions about organising their daily work and introducing new technology.

M Maire believes that the CFDT must not shut its eyes to the depth of the recession or the magnitude of social changes taking place but must try to impose its own view of the type of society it wants to emerge.

All this draws on the co-operative traditions of the French labour movement of the 19th century, on the Catholic views of social consensus that have helped shape the CFDT, and on the legacy of discipline and rigour inherited from former Prime Minister Pierre Mendes-France.

He is impatient of those who think social change can be achieved by passing laws or that a "shift in government policy will put all to rights." Real change comes from the shop-floor with workers taking the initiative themselves. "It is no use replacing the shepherd," he says to those who demand a purge of the management of the nationalised industries, "if the workers remain as sheep."

M Edmond Maire: "Next year the unemployed will probably be the only group to suffer a serious loss of purchasing power" through cuts in benefits.

Nato defence ministers propose special study of new technology

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN BRUSSELS

DEFENCE MINISTERS from 14 Nato countries decided yesterday to commission a special study of the ways in which new technology in defence can be used to update and strengthen Nato's conventional forces.

The ministers' decision, reached in yesterday's session of the Defence Planning Committee, appears to have been taken to give some political control of, and official Nato context for, the growing debate on the role of Nato's non-nuclear forces in the overall strategy of the Western Alliance.

Ministers took their decision after hearing a presentation by Mr Caspar Weinberger, U.S. Defence Secretary, on the development of the new defence technology in the U.S. It is understood that Mr Weinberger outlined key areas where technological advance could now or would in future improve Nato's ability to fight a conventional war.

They were surveillance techniques which could enable improved identification of targets deep in enemy territory and precision-guided munitions that enable the targets such as tank formations to be destroyed and communications disrupted.

According to official sources, the parameters of the new study are to be determined by the permanent representatives (ambassadors) of the national governments in Brussels. However, the military committee, Nato's highest military body, will also be involved, as well as many other Nato departments.

It would seem at this stage that the prime objective of ministers is to put the emerging debate on the new technology and its impact on conventional forces (and thus Nato strategy) into a political context. No timescale for deliberations has yet been set and no early result is expected.

The most public Nato figure in the debate so far has been General Bernard Rogers, the Supreme Allied Commander in Europe. In a series of speeches in recent months, Gen Rogers has advocated that Nato countries spend more on conventional defence, making greater use of new technology, in the hope of raising the threshold at which Nato would resort to the use of nuclear weapons.

Gen Rogers' proposals for raising defence spending have been greeted sceptically in Europe, where many governments are finding difficulty in meeting current defence spending targets. The proposals embodying advanced technology have also been greeted with some suspicion by defence industries in Europe, since the new technology is largely American.

Admiral Robert Falls, chairman of Nato's military committee, yesterday for the first time publicly joined the simmering debate on the viability of Nato strategy with a stalwart defence of the Alliance's deterrent posture.

Speaking as defence ministers met in restricted session, Adm Falls said that the military committee, which comprises representatives of Nato Chiefs of Staff, had completed a discussion on "current Nato strategy, its credibility and its appropriateness" now and for the foreseeable future. They had "unanimously agreed that the strategy of forward defence and flexible response was entirely appropriate."

Talks start on forming next Irish government

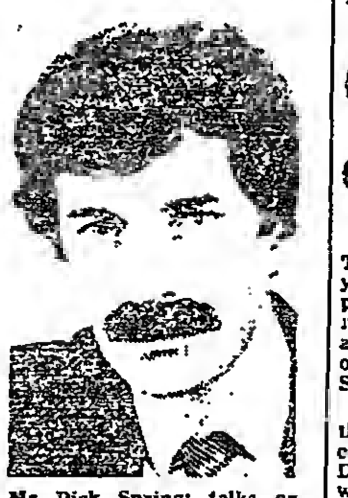
By Brendan Keenan in Dublin

THE IRISH opposition leader, Dr Garret FitzGerald, and the head of the Labour Party, Mr Dick Spring, met yesterday for the first session of talks which may lead to the formation of a new government when Parliament resumes on December 14.

The two parties hold 86 of the 166 seats.

The talks were held at a secret venue and were between the two men alone. The precautions reflect the delicacy of the negotiations in the view of the opposition within Mr Spring's party to the idea of coalition government.

Mr Spring has dropped the word "coalition" from his vocabulary and talked instead of "power sharing." No one doubts he would like to bring his party, which has 16 seats, into government. But he must first convince more than 1,000 delegates at a special conference on December 12.



Mr Dick Spring: talks on "power sharing."

Negotiations are likely to continue for at least a week in an attempt to produce an agreed programme incorporating part of Labour's manifesto. The most likely areas of agreement are on a state development corporation to promote jobs, a poverty action programme and increased capital taxes.

Mr Charles Haughey, the outgoing Prime Minister, is expected to be endorsed as leader of his Fianna Fail party when the parliamentary party meets today.

The threats to his leadership have evaporated, partly because of the spirited election campaign which he fought and partly because, with the prospect of four years in opposition, the party has plenty of time to consider its future strategy.

SPAIN'S PM DESIGNATE ATTACKS CRITICS WITH RENEWED VIGOUR

Gonzalez leaps to defence of plans

BY ROBERT GRAHAM IN MADRID

STUNG BY criticism of his performance in presenting the Socialist Government's programme, Sr Felipe Gonzalez, Spain's future Prime Minister, vigorously defended his plans yesterday in a lively parliamentary debate. In so doing, he dispelled much of the disappointment created by his presentation on Tuesday.

Sr Gonzalez was widely criticised for failing to spell out specific policies and for a long-winded, uninspiring presentation of his intentions. On Tuesday he appeared overburdened by the weight of assuming office. Yesterday, without a prepared text, his old confidence returned and he attacked his critics with the assurance of a man ready to do battle.

The parliamentary debate was expected to be a formality since the Socialists have 201 of the 350 seats in the new Parliament. The debate precedes a formal vote of confidence which is a preliminary to the swearing in of a new Government. However, both the right-wing opposition of Alianza Popular, and the other groups in Parliament, decided overnight to turn the occasion into a genuine debate to prod Sr Gonzalez into giving away details of his programme.

One of the first issues Sr Gonzalez was asked to clarify was his stance on Spain's Nato membership. On Tuesday he had contented himself with saying that the Government would "re-examine Nato membership." Yesterday he was forthright in stating "from the first day in Government we are willing to freeze Spain's military integration in Nato."

The freeze has been stated privately as the first step in re-examining Spain's whole attitude to the alliance but this was the first time it had been stated so clearly. Spain joined the alliance last June, and yesterday Sr Gonzalez criticised this decision as being far too precipitous and motivated by political rather than military and strategic considerations.

Pressed on the question of a referendum on Nato membership, Sr Gonzalez was more cautious. "We are not going to take any hasty steps in international affairs." This suggests that the recent reluctance of the Socialists to harden their electoral pledge on a referendum still holds good.

He also gave further evidence of a more nationalistic tone in foreign policy. "We are not going to have foreign admirals dictating to Spanish admirals in territory claimed by Spain." This was an oblique reference to the possibility of a Nato command incorporating Gibraltar.

The veteran Communist leader, Sr Santiago Carrillo voiced the disillusion of the Left with Sr Gonzalez's government programme when he said that it was full of moral and ethical ideas but bore very little relationship to the aspirations of socialism.

He urged the premier-designate to give more details of how the Socialists intended to create jobs and ease the difficulties of Spain's 2m unemployed. Sr Gonzalez said that until his Government had taken a full look at the nation's account it was only possible to proceed very cautiously. He repeated his faith in next year's growth target of 2.5 per cent.

Spain's Press yesterday was extremely cautious in welcoming the Socialist programme. The independent daily, El País, which has generally supported the Socialists, carried a banner headline saying: "Filipe Gonzalez avoids any reference to specific measures."

France to pay for abortions

By David Marsh in Paris

THE FRENCH Government, which has stirred up controversy recently softening some planned improvements in social programmes, has agreed that abortion will, as promised, be repayable under the state welfare system.

The measure was agreed by yesterday's Cabinet meeting. The Government hopes it can take effect from January 1, but this will depend on quick approval by both the National Assembly — which is due to debate the matter next week – and the Senate.

M Pierre Bérégovoy, the Minister for Social Affairs with an impressive reputation for axe-wielding, provoked a hail of protests in August when the Government revealed it could not keep to its timetable for bringing in state financing of abortion by the promised date of September.

The criticism proved to be premature. Yesterday's agreement should mean that from next year the estimated 200,000-plus French women thought to seek abortions annually will be able to claim back 70 per cent of the cost through the social security system.

The move, which comes when the Government has been making great efforts to eliminate climbing deficits in the social security budget, will cost FFr 200m ($8.6m) in a full year.

Officially, 180,000 abortions were registered in France last year, but allowing for the number of clandestine operations and those carried out abroad, the Ministry for Women's Rights is budgeting for around 230,000 to 250,000 abortions to be carried out yearly from now on.

This corresponds to the international average of roughly 2 per cent of women of childbearing age between 15 and 49.

Yesterday's action coincides with union protests about a lower rise than promised in the minimum wage this year. There is growing concern among older workers as to whether pensions will be less than expected under the Government's sweeping plans for early retirement entitlement for all from next April.

Reimbursement for abortion under the social security system was promised by both the Socialist and Communist parties before last year's elections

Czechoslovakia to curb power station pollution

BY LESLIE COLITT IN BERLIN

CZECHOSLOVAKIA has given the first indication it is prepared to tackle the massive sulphur dioxide pollution from its coal-burning power stations which is destroying its own forests and those in West Germany through "acid rain."

Border officials from both countries have met and agreed to exchange information on levels of sulphur dioxide air pollution. The Czechoslovaks have also promised to install anti-pollution equipment in factories near the West German border to put an end to the stench which has plagued Bavarians living nearby.

In West Germany, the Laender (state) governments have agreed to limit the maximum emissions of sulphur dioxide from large coal-burning furnaces to 400 mg per cubic metre. This compares with the previous figure of 650 mg. The new limit was recommended at a recent conference of Laender environment ministers after reports about the denuding of great stretches of forest.

The West German Federation of Industry and the Chamber of Industry and Commerce have both opposed the new limit.

Hungary holds talks on Romania ethnic minority

BY OUR BERLIN CORRESPONDENT

HUNGARY and Romania are attempting to ease renewed friction over the treatment of the 2m ethnic Hungarians in Romania.

The region of Transylvania, where they live, was formally ceded to Romania by Hungary after the First World War and relations between the two Communist governments have been troubled repeatedly by this minority question.

Two aides to Mr Janos Kadar, Hungary's leader, have held talks in Bucharest with President Nicolai Ceausescu, Romania's leader, about a spate of complaints in Hungary that the Hungarian minority is being mistreated.

Mr Gyorgy Aczel, a central committee secretary in charge of culture and education, and Mr Peter Varkonyi, a secretary for agitation and propaganda, held talks with several Romanian officials about the problem.

More than 70 Hungarian intellectuals recently appealed to their government to protest against the treatment of ethnic Hungarian intellectuals in Romania.

Commission tries to silence critics of butter sales to Russia

BY JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission yesterday adopted an elaborate procedure aimed at demonstrating its control over the timing and price of the proposed sale of 25,000 tonnes of butter to the Soviet Union.

Agreeing to open tenders for the sale after weeks of equivocation, the Commission set December 22 as the date on which it would meet to decide which offers to accept.

Such decisions are normally left to officials in charge of market management. But sales to Russia are so politically sensitive that the Commission wants to be seen to be regulating the trade closely so that it corresponds to the growth of EEC butter stocks and does not involve export subsidies — allowing the Soviet Union to purchase below world prices.

Half of the tonnage to be put out to tender will come from public stocks—that is, butter purchased by the EEC to maintain domestic prices levels—and half from private stocks.

This device was needed because only the UK and Ireland have butter in public stocks and French traders, who are the keenest to sell, would have been denied the opportunity to do so.

The Commission was keen yesterday to drive home the steady accumulation of butter stocks following this year's 6 per cent rise in output. Public stocks have climbed by 30 per cent to 100,000 tonnes since November 3 and are expected to finish the year at 120,000 tonnes compared with about 50,000 tonnes at the beginning of September.

"The prospect of a return of the butter mountain puts an added pressure on the Commission to keep to a minimum its proposed increases in dairy prices from next April.

The Commission will adopt next week the price proposals to go to the Council of Ministers, but a preliminary discussion among Commissioners yesterday revealed predictable differences between high and low inflation countries.

In other words, the French, Italian, Greek and Irish Commissioners were tending to argue for rises above 7 per cent, while the British, West German and Dutch favoured greater prudence.

These are pretty much the positions which Agriculture Ministers will take up when they receive the Commission's proposals. In anticipation, the Commissioners are expected to settle on a package of around 5 per cent with the possibility that they might be forced upwards during the ministerial negotiations.

UK concern on 'Act of Union'

BY JONATHAN CARR IN BONN

BRITAIN STILL has some reservations about the proposed "Act of European Union," which West Germany hopes will be approved shortly by all European Community states.

Mr Douglas Hurd, Minister of State at the Foreign Office, said Britain had no objection "in principle" to the Act but that there were "a number of outstanding points." These included the suggested movement towards majority voting in the EEC Council, the proposed strengthening of the European Parliament — and, indeed, the name itself.

He pointed out that the word Act, to British minds, implied the outcome of a legislative process, whereas that was not the aim in this case.

Mr Hurd was speaking at a news conference here after talks with Dr Alois Mertes, his opposite number in West Germany. The discussions will be continued when Dr Mertes visits London later this month.

The West Germans are laying great stress on obtaining approval of the Act—which they have proposed jointly with Italy—during their presidency of the EEC Council in the first half of next year. They believe this step would help improve the community's institutions and bring closer co-operation on security matters.

'Pope plot' warning by Bulgaria

By James Buchan in Rome

BULGARIA HAS hinted at reprisals against Italy if Italian magistrates do not release a Bulgarian airline official who was arrested last week and charged with complicity in the attempted assassination of Pope John Paul in May last year.

Italian newspapers yesterday published a photograph taken as the Pope was shot in St Peter's Square. It show, among the crowd close to the Pope, a man bearing a striking similarity to Mr Sergei Ivanov Antonov, deputy manager of Balkan Airlines in Rome, who is being held in the capital's Rebibbia Prison.

The Bulgarian Government has called the situation "the most serious crisis between the two friendly countries since the Second World War."

It has pointedly reminded Italy that it holds in prison a young Italian man and a young woman arrested in Bulgaria last August in curious circumstances. They have been charged with spying and could face 20-year prison sentences.

Though few details have emerged about Mr Antonov, it appears that the magistrates believe he provided logistical help to Mehmet Ali Agca, the young Turk who is serving a life sentence in Italy for the attempted murder of the Pope.

In the past few months two Turks have been arrested, one in West Germany and the other in Switzerland, in connection with the attempt on the Pope's life. Italian magistrates are also believed to have issued warrants for the arrest of other alleged accomplices, both in Italy and abroad.

NBC, the U.S. television network, broadcast the thesis in September that Mehmet Ali Agca tried to kill the Pope as part of a KGB plot in which Bulgaria played an important part. The intention was to remove the inspiration for the Solidarity movement in Poland. The Soviet Union, Bulgaria and the Vatican all repudiated the idea.

Bulgaria is said to have been involved in links with Italian terrorism for several years. Earlier this year, a prominent Italian trade union official was arrested as a member of the Red Brigades. It was claimed that he was acting as a go-between for the left-wing terrorist organisation and the Bulgarian secret service.

Unesco's media proposals allay worst fears of West

BY OUR PARIS CORRESPONDENT

WAS IT a well-prepared attempt to curtail the freedom of Western news agencies and journalists to report on events in the Third World? Or did the West react over-sensitively to Third World fears at the dominance of Western news agencies in covering developing country issues?

In the almost six years of bitter debate that has centred on Unesco over plans for setting up a New World Information and Communications Order, it has never been fully clear where the balance of argument lay.

But the compromise proposals now before the Unesco general session meeting in Paris seem for the moment to have laid the worst fears to rest.

The U.S. and British delegations, which have been the toughest in their defence of press freedoms as known in the West are clearly relieved.

Most of the 60 amendments that they helped sponsor, to remove ambiguities in the text of a resolution on the communications section of a draft plan drawn up by the Unesco secretariat for the years up to 1990, were approved.

"We got at least half of what we wanted," said one Western delegate, adding that for the first time the positive impact that the media can have in scrutinising the activities of governments had been incorporated in key Unesco documents.

The more militant of the group of 77 developing nations —on this issue, countries such as Iran, Guyana and Cuba — seemed to back down in face of the discreet influence of Unesco's director-general, Mr Amadou-Mahtar M'Bow.

If Mr M'Bow has in the past seemed to share Third World views in favour of an international press charter, he has equally realised that Unesco risked clashing with the U.S. in particular on an issue of principle.

He has also realised that the U.S. could well substantiate its threat to withdraw from Unesco if resolutions were passed that jeopardised press freedom. The U.S. provides a quarter of Unesco's funds.

Third World delegates were yesterday minimising the areas of dispute—"there was probably no basic difference of approach," said one—while emphasising that the whole explosion of information technology and its concentration in the hands of western companies aroused obvious fears among developing countries.

One of the difficulties in knowing what protagonists of the New International Order intended has been theopaque prose in which Unesco resolutions have been phrased.

Thus, declarations adopted by the Unesco general assemblies in Paris (1978) and Belgrade (1980) spoke of the "elimination of the negative effects of certain (communications) monopolies": of the "freedom of journalists . . . inseparable from responsibility"; and the "protection (of journalists), guaranteeing them the best conditions for the exercise of their profession."

When such clauses received active support from the Eastern bloc and other Marxist régimes, the Western press and Western governments increasingly took the view that this was a thinly-veiled way of attempting to license Western journalists.

This was the view of Mr Douglas Hurd, formerly Minister at the Foreign Office, who warned last year that behind the "quest for a so-called New World Information and Communication Order" were "attempts to regulate the activities of journalists under the guise of protecting them."

In fact, the 20 pages in the Unesco draft medium-term plan devoted to "Communication in the Service of Man" are as dense in vocabulary as most Unesco documents. But they also contain less to alarm.

One section that continues to worry Western delegates, and which they have failed so far to get deleted, comes in the context of remarks that modern telecommunications permit the instant broadcast of messages throughout the world by both radio and television.

The draft plan adds that "the international community cannot ignore the problem of the content of these messages" because ofthei r implications on international relations.

An unacceptable phrasing to the West as threatening government intervention in the free flow of information, it is equally untenable for many developing countries' governments that the West should have the unrestricted power that goes with such a dominant control of communications technology.

If the debate seems to have died down for the moment, Western delegates fear that it could clearly flare up again when Unesco holds its next General Assembly in Paris next year.

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U.S. may attempt to break Lebanon troops deadlock

BY NORA BOUSTANY IN BEIRUT

THE U.S. may try to arrange for the withdrawal of all foreign forces from Lebanon without talks between Israel and Lebanon. The daily An-Nahar said yesterday that this was the option the U.S. would probably take to break the deadlock on where and how to start Israeli-Lebanese talks.

In a further effort to get a mutual and balanced withdrawal of the Israeli and Syrian armies, which currently occupy two-thirds of Lebanon, the U.S. is likely to double the number of its troops in Lebanon to 2,400, according to officials in Washington.

The pullback of foreign troops is proceeding more slowly than the U.S. wants.

The Lebanese Government has flatly rejected Israeli demands that pullout talks should be held in Jerusalem. Lebanese officials say they cannot implicitly accept Jerusalem as capital of Israel and thus break links with Arab states.

Lebanon's President, Mr Amin Gemayel, said this week that "Israel does not want to withdraw," and that whenever any obstacle is ironed out, another is immediately produced by the Israelis. He stressed his Government's attitude was "yes to peace, no to surrender."

Israel has proposed both Jerusalem and Beirut as place where the Israeli and Lebanese negotiating teams should talk.

President Gemayel has said Lebanon is not prepared to discuss the venue for negotiations. "Let Israel first define what it actually wants and then we will give our world," he said.

U.S. efforts to get Lebanese-Israeli withdrawal talks started seem to have reached a stalemate with this latest Israeli proposal, which Washington has described as "greatly insensitive."

There is a creeping suspicion among Lebanese officials and political observers that Israel is trying to force a link between Lebanon and the overall *Middle* East crisis. Lebanon has sought to isolate its problems, the settlement of which is seen here as the key to a global regional solution.

Lebanon first tried to narrow the scope of withdrawal talks to military matters, but Israel made them conditional on the inclusion of civilians. Lebanon appointed two legal experts but Israel then asked that the Lebanese team be headed by a civilian rather than a military man.

President Gemayel has hinted that the door is open to other countries such as the Soviet Union to come to Lebanon's assistance.

An analysis by influential Lebanese *columnist* Emile Khoury warned this week that further delay in the talks might prompt the new Soviet leadership to step in to "curb America's freedom of action in the Middle East."

Our Tel Aviv Correspondent *writes: Israel* yesterday announced it was stepping up its settlement drive in the Arab West Bank and would soon start building an urban project and four small rural outposts near the town of Jenin.

Mr Mikhail Dekel, deputy *Agriculture Minister*, told the Knesset (parliament) economic committees he expected the Jewish population in the Israeli-occupied *territory* to triple by 1986.

THE ATTEMPTED assassination in West Beirut yesterday of Mr Walid Jumblatt, the top leftist Moslem leader in Lebanon, is likely to lead to a further deterioration in security there, Our Foreign Staff writes.

Mr Jumblatt was wounded when a bomb exploded near his car, but was later reported to have walked out of a hospital emergency room without showing signs of serious injust from that attack.

Since the assassination of his father in 1977, Mr Jumblatt has been leader of a broad coalition of Lebanese Moslem leftists allied to the Palestine Liberation Organisation, as well as hereditary leader of the 300,000-strong Druze community, a tightly knit heterodox Moslem group.

The Druze have been involved in increasingly bloody clashes with Christian militiament over the last month, and the assassination bid could lead to Druze reprisals which the Government would be unable to control.

Indonesia's oil-fuelled growth grinds to a halt

BY RICHARD COWPER IN JAKARTA

AFTER A DECADE and a half of perhaps the most rapid economic growth in its history Indonesia's largely petroleum-propelled boom appears to have finally ground to a halt.

Asia's only member of Opec is dependent on petroleum for around 70 per cent of revenue and it makes up a similar proportion of total exports. Now the world oil glut is beginning to play havoc with the economy of the poorest but largest member of the Association of South-East Asian Nations (Asean), which is also the world's fifth most populous nation—with 150m people—and the largest oil and gas exporter east of the Gulf.

Oil production and exports are down to their lowest levels for a decade. Earlier in November Jakarta put Opec's already flimsy price structure under further strain when it cut its official oil prices in a bid to stave off an even more rapid decline in sales.

Indonesia's hard-pressed economic planners are now confronting what many say is likely to be the *country's most* dismal economic performance since President Suharto was confirmed as president in 1967. *More worrying still* is the growing belief that this year's sharp economic downturn may be more than just a short-term hiccup on an otherwise rising graph of economic growth.

Foreign businessmen are fast becoming resigned to the likelihood that the seemingly endless stream of multi-million dollar government contracts in petrochemicals, refining, cement, fertilisers and heavy industry may now be a thing of the past.

More ominously, some political observers are beginning to ask *searching* questions about Indonesia's long-term political stability. With more than 3m new mouths to feed and almost as many new jobs to find every year a prolonged economic recession could give rise to serious unrest. Further, straddled across the main shipping routes between the Indian and the Pacific oceans, Indonesia is strategically important to both the West and Japan.

Since President Sukarno was ousted in 1965 Indonesia has grown rich almost without trying, and this has done much to ensure the country's political stability. A massive increase in petroleum earnings — gross oil and gas exports multiplied 31 times between 1971 and 1981—has been the driving force behind an average annual growth rate of almost 8 per cent a year over the last decade.

Despite widespread corruption, and what many have seen as a wasteful use of resources on capital-intensive projects like the U.S.$3bn (£1.875bn) Krakatau steelworks, enough money was spread about to ensure that almost everyone got a slice of the cake, however small.

But many of the projections for 1982-83 read like a roll call for the dead. Oil production and export volume this year will be at their lowest level since 1972. Real economic growth is likely to fall to around 3.5 per cent, the lowest since 1968; the current account deficit on the balance of payments will be the biggest ever at around $8bn; foreign reserves are likely to fall by almost half, from $10.6bn in March 1982 to around $5.5bn in March 1983; and the Government is expected to record its biggest-ever budget revenue shortfall.

This year's depressing figures do not, however, mean that Indonesia is about to follow Mexico's downhill path. A recent U.S. embassy report on Indonesia's economy concluded that careful fiscal management by the country's conservative economic planners means that "Indonesia's foreign exchange reserves are still substantial, external debts are relatively low, debt service is manageable and there remains considerable scope for additional financing from international banks, and export lending institutions."

Next January's budget, however, is likely to be cut by at least 15 per cent to around $19bn. In a country where government expenditure and investment equivalent to around a quarter of gross domestic product play such a crucial role in the country's overall economic growth such a reduction in public spending is likely to have serious consequences for the economy as a whole.

The billion-dollar question now being asked is just how careful should Indonesia's economic planners be. Until the middle of this year many felt (notably the World Bank) that the world recession and the downward pressure on oil demand and prices was just a short-term phenomenon.

Now Indonesian economists and technocrats are fearful that even if the world comes out of recession some time next year, demand for Indonesian oil may pick up only slowly, if at all, while oil and gas prices could fall even more sharply in real terms.

The Government may now have to re-examine a number of its current economic policies which have made the country over-dependent on oil, encouraged a massive increase in subsidies and allocated too large a proportion of Government revenues to economically dubious capital-intensive projects.

In a bid to encourage domestic processing of timber and palm oil the Indonesian Government has actively precipitated a much sharper decline in non-oil export earnings than would otherwise have been the case. For political reasons, however, the Government may find it almost impossible to change into reverse in mid-stream.

During the past few years, the growth in subsidies on food, fertilisers and domestic petroleum sales has been phenomenal. In 1982-83 these are likely to total around $3bn—almost 30 per cent of domestic budgetary revenues. At a time of scarce resources this is a luxury the Government can no longer afford.

Perhaps the Government will find it most difficult to decide on the future of the more than $15bn-worth of projects in steel, petro-chemical and other heavy industries it has got underway in the past three years.

The country's economic planners may now be forced to accept the argument that, for reasons of political stability, money might be better spent on less expensive and more labour-intensive projects in agriculture and light industry.

	Crude oil production	Crude oil exports*	Oil products domestic consumption†
		(m barrels)	
1978	597	462	112
1979	580	411	124
1980	577	379	139
1981	585	383	153
1982‡	485	315	150

* Exports of crude and condensate only, not including 45m barrels a year in exports of oil products

† This is domestic consumption of petroleum products (not crude), a significant proportion of which is imported

‡ Projections based on preliminary figures for the first 10 months of the year

Source: Ministry of Mines and Energy

Japanese ethylene output cut proposed

By Charles Smith, Far East Editor, in Tokyo

JAPANESE petrochemical manufacturers have been advised to cut their ethylene production capacity from the present level of 6.37m tons to 4.5m tons by 1985 in a report issued by a semi-governmental committee dealing with problems of industrial structure.

The report also urges the *formation* of "groups" within the fragmented petrochemical industry, the purpose of which would be to curtail what the Government sees as excess competition.

The report was released yesterday by the chemical industry *sub-committee* of the Industrial Structure Council, a body attached to the Ministry of International Trade and Industry.

It represents the ministry's blueprint for the rationalisation of the petrochemical industry, one of the most important of a dozen or so "basic materials" industries which face a chronically unprofitable future.

Japanese petrochemical manufacturers are expected to lose about Y35bn (£86m) during the *current fiscal year* as result of high raw materials costs and persistent underpricing of their products.

The Government hopes to strengthen the industry's price structure by pushing through the twin programmes of *capacity reduction and group* formation proposed in the council's report.

The concept of group formation *involves* the total withdrawal of certain companies from some areas of the petrochemical industry in return for an agreement by other companies to supply products to companies that have agreed to close their plants.

Both the group formation and the capacity-cutting proposals in the Industrial Structure Council's report cut across Japan's anti-monopoly law the main purpose of which is to prevent the formation of unauthorised cartels by industries.

U.S. hopes rise for use of Tokyo's military expertise

BY JUREK MARTIN IN TOKYO

THE U.S. is growing more confident that Japan will accede to its long-standing request for a transfer of Japanese military-related technology to the U.S.

Mr Yasuhiro Nakasone, the new Prime Minister, will be visiting Washington on January 18. The U.S. invitation was conveyed to Mr Nakasone yesterday by Mr Donald Rumsfeld, the former Defence Secretary, who is here as a special envoy for President Reagan.

Given the multiplicity of disputes threatening to disrupt relations between the U.S. and Japan and Mr Nakasone's well-*known desire to remain close* to Washington, it had been thought an early visit to the U.S. would need to be accompanied by some significant gesture.

Within the last 24 hours, both Mr Shintaro Abe, the Foreign Minister and Mr Masaharu Gotoda, the Cabinet Secretary, have said that Mr Nakasone had put the question of military technology transfers high on his agenda. They both implied a policy decision could be made by January.

The U.S. does not currently have a specific shopping list of Japanese technological expertise it wants to acquire. Rather it is *seeking* what is described as "a broad policy decision" by Tokyo which would have the practical effect of removing present restrictions on such transfers.

These curbs reflect Japan's policy of barring arms exports to communist countries, to nations under a United Nations arms embargo and to countries either in or likely to be involved in conflict. The potential problem with the U.S., of course, comes with the third proscription, which the U.S. would like to circumvent.

From the Japanese standpoint, agreeing to military technology transfers might be easier than increasing defence *spending* in *real* terms, especially in the light of pressing budgetary problems.

Although far from serious at present, there are frequent demonstrations here protesting at planned cuts in social spending and higher defence outlays.

Additionally, what the U.S., not to mention Europe, most wants from Japan—a major opening of its domestic markets to the full range of foreign products—is politically and socially difficult for any Japanese government to entertain.

It is thought the U.S., however, does not see these "concessions" as interchangeable.

Reflecting traditional Japanese priorities, Mr Nakasone's new government is more intent on mending its American fences before turning to Europe. Another round in the commercial dialogue between the U.S. and Japan is scheduled for this weekend amid insistent U.S. demands for greater access for its agricultural produce.

Assuming it is not preceded by Japanese participation in any secret meeting of the Group of Five finance ministers on international liquidity problems, the initial ministerial foray is likely to come in late January. This is when Mr Sadanori Yamanska, head of Japan's Ministry of Trade and Industry, is due to attend a conference in Brussels, when it is thought he will meet Commission officials.

China's budget deficit 'will be about £918m'

BY TONY WALKER IN PEKING

CHINA'S budget deficit this *year will amount to the equivalent* of about $1.5bn (£918m), Wang Bingqian, the Finance Minister, reported to the *National People's Congress* yesterday.

The deficit is in line with the target set in China's sixth Five-Year Plan, details of which were presented to the congress by Zhao Ziyang, the Premier, who said it was proposed to keep the deficit under $1.5bn in each of the next four years.

Wang reported that revenue in 1982 would amount to $55.3bn and expenditure to $56.8bn. The Finance Minister stressed the deficit would be kept within the figure specified *in the budget.*

WANG warned, however, that growth in revenues "still cannot keep pace with the needs of economic and social developmen." However, he noted that the "downward trend" in revenue collection had come to a halt

Because of the policy of readjustment, China has suffered a reversal in revenue collection in recent years. *The readjustment* policy meant that cuts were made in expenditure and production slowed in some industries.

Wang revealed that budget revenue for 1983 would reach $61.6bn

Opec exports at 18.5m b/d

By Patrick Cockburn

PETROLEUM exports of the 13 members of the Organisation of Petroleum Exporting Countries fell to 18.5m barrels a day worth $253bn (£155bn) last year, according to official Opec statistics. This compares with 22.9m b/d in 1980, worth a record $278.6bn.

The most marked drop in oil exports was by Iraq, whose oil exports fell from 2.5m b/d in 1980 to 697,000 b/d in 1981. Baghdad's revenues fell from $26.1bn to $10.4bn. Saudi Arabia's oil income increased from $102bn *to $113bn over the* same period.

WORLD TRADE NEWS

ECGD compensates UK suppliers to Libya at £6m monthly

BY PATRICK COCKBURN

THE Export Credit Guarantee Department is now paying compensation on claims from UK suppliers to Libya at the rate of £5m to £6m a month because of non-payments following Libyan over-ordering and the fall in the country's oil revenues last year.

Failure by Libya to meet many of its contractual commitments has caused problems for all the country's main trading partners over the last year. British exports have fallen 47.3 per cent in the first eight months of this year to £181m compared with the same period last year. British exports to Libya in 1981 were worth £550m.

The ECGD last November introduced an extended waiting period of nine months for payment of claims and is now only giving cover where there is an irrevocable letter of credit and contracts are considered in the national interest.

Most of the British exporters hit by Libyan late payment had supply contracts, many for clothing, textiles and consumer goods.

Britain has few construction contracts in Libya, though NEI International Combustion of Derby has just won an order worth £28m from a Korean concern to build six boilers, fired by either oil or gas, for a new steel works and desalination plant on Libya's Mediterranean coast.

Libya's oil revenues are now recovering because the country has comprehensively broken its oil production quota agreed by the Organisation of Petroleum Exporting Countries in Vienna in March this year. Its oil exports are now put at 1.7m barrels a day compared to a quota of 750,000 b/d.

Libya had little choice except to raise its oil production and discount its prices. By the middle of this year the country was believed to have a total debt of $12bn, with $4.6bn of this due in 1982, as well as heavy military expenditure. Oil revenues this year will not much exceed $10bn compared with $22.6bn in 1980.

The Libyan Government has had great difficulty in deciding what to cut in its ambitious development programme with large allocations for heavy industrial projects such as petro-chemicals and metallurgy. As foreign exchange reserves fell, perhaps as low as $5bn in the middle of this year, Libya's main suppliers were faced with chronic late payment.

The outlook for suppliers has now somewhat improved as Libyan oil revenues increase, but there are still severe restrictions on state companies obtaining foreign exchange even where they are ready and willing to pay suppliers in Libyan dinars. "We won't see any overall reduction in the figure for money owed until well into 1983," says one British official.

Protectionist pressures likely to increase in U.S.

U.S. OFFICIALS expect increased protectionist pressures in Congress as a result of the Gatt ministerial conference which ended in Geneva on Monday, but they are publicly downplaying disappointment.

Mr Bill Brock, the U.S. trade representative, said on his return from Geneva that 1983 may be the toughest trading year we've seen in a long time. He was speaking at an American Enterprise Institute Conference.

Senator Robert Dole, Republican chairman of the Senate Finance Committee, said at the same meeting that the Ministers "may have missed a unique opportunity to strengthen the Gatt system.

He predicted increasing pressure for legislation strengthening the lending abilities of the Export-Import bank, moves to provide additional funds for agricultural export credit, pressure for "local content" legislation and opposition to the Trade Act of 1974, under which the U.S. established a programme to permit duty-free imports of designated products from developing countries.

Congressmen would face additional pressure from their constituents who could not understand "why Japanese cars and TVs are sold here but U.S. cigarettes and baseball hats cannot be sold in Japan . . . ."

Space deals battle intensifies

By Michael Donne, Aerospace Correspondent

COMPETITION BETWEEN the U.S. Space Shuttle transport system and the European Ariane rocket launcher is already increasing. The U.S. National Aeronautics and Space Administration has won the contract to launch the Arab world's Arabsat communications satellite in October 1984.

Arianespace, the organisation which markets the European Ariane rocket, had hoped to win the deal, but it is believed that the Ariane launch failure last September, with the loss of two satellites, helped to contribute to the Arabsat consortium's decision.

Nasa is trying to woo other potential Ariane customers away from that conventional rocket launcher to the manned Space Shuttle.

It is citing the recent success in launching satellites for Satellites Business Systems of the U.S. and Telesat Canada as proof that the Shuttle is a reliable satellite launcher.

The Arabsat-A satellite is one of a series, built by Aerospatiale of France and Ford Aerospace of the U.S., to improve telecommunications in the Arab world.

The Arabsat consortium has 22 members, spread across the Arab world from Atlantic coast of North Africa through to the Yemen in the east and Djibouti and Somali in the central African region.

● Mid-South airline, North Carolina, has ordered one Type 360 commuter airliner from Short Brothers of Belfast, worth about $4m including spares. The deal brings total sales of the twin-turbo-prop engined 360 to 34 aircraft from 12 operators in the three countries. Mid-South is the sixth U.S. operator to select the aircraft.

Agencies add from Bangkok: Thai Airways fears Boeing may withdraw its offer to sell it two 767 aircraft if the Thai Government fails to approve by December 15 the airline's proposal to buy the aircraft. Thai airway's vice-president said, Mr Nikorn Manelert said Boeing had set December 15 as the deadline.

Thai Air last week formally asked the Government to approve its September 29 decision to buy the new extended range 767-200s for an estimated $120m, including spares. The deal was won at the expense of Airbus Industrie.

Canada tries to heal U.S. trade wounds

BY NICHOLAS HIRST IN TORONTO

THE CANADIAN Government is making a determined effort to improve its increasingly strained trade relations with the U.S. — its most important trading partner.

Relations between the two have been among the most amicable of any adjoining countries in the world, despite Canadians' historic prickliness about their economic dependence on a neighbour whose population of 235m is ten times that of its own 24.5m.

But difficulties have developed in recent years — most revolving around U.S. perceptions of protectionism in Canada.

During its two years in office, the Reagan Administration has asked Canada to change several policies. It has asked Canada to:

● Modify or eliminate sections of its National Energy Programme (NEP) designed to increase Canadian ownership in its domestic oil and gas industry to 50 per cent by 1990.

● End the practice whereby Canada's Foreign Investment Review Agency (Fira) requests foreign investors to purchase Canadian goods and services to reduce their imports into Canada, or export specific portions of its Canadian production.

● Provide an official statement that Fira's activities would not be broadened and that the NEP would not be used as a model to increase Canadian ownership of other industries.

At the Canadians' invitation, the complaint against the Fira has been put before a panel of the General Agreement on Tariffs and Trade (Gatt), while Canada has yielded to the threat of retaliation and said it was not intending to widen the NEP as a model for other industries.

The Canadians feel they need measures to protect their industries and their culture from ever-present U.S. encroachment. But they have not reached, they believe, an understanding response to their point of view.

U.S. television programmes are carried by cable into Canada. Canada has tried to protect its own TV industry by cutting tax relief to Canadian companies advertising on U.S. TV stations. The U.S. Congress has reacted by introducing a Bill to take away tax benefits from anyone buying the Canadian-designed Teledon teletext system.

The Reagan Administration has attempted to export airline deregulation and this has prevented the renegotiation of bilateral air services agreements, the most extensive such accords in the world.

With Canada's recession deepening and M Pierre Trudeau's ruling Liberal Party under attack from all sides for its management of the economy, a continuing row with the U.S. can only add to the country's problems. Many officials are now calling for a more conciliatory policy.

A series of recent speeches and meetings by Canadian Cabinet Ministers have sought to lessen the tension.

The Canadian moves come in the face of Democratic Party gains in the U.S. mid-term elections, which are raising fears that Congress could move closer to retaliatory protectionism threatening C$110bn of bilateral trade.

Canada's economy is vulnerable to any U.S. import barriers; its exports account for 30 per cent of Canada's GNP and 70 per cent of its foreign sales go south.

Canadian officials have identified around 50 pieces of legislation before the present Congress to restrict trade.

As it is, Canada now faces legislation to curb its uranium sales to the U.S.—passed by the Senate but not yet by the House—and action supported by Congressmen to impose crippling duties on lumber exports worth C$2.3bn a year.

If either were put into effect new strains would be put on the relationship, but there is no doubt that both sides have decided to try to discuss their disputes in a calmer manner.

After Mr George Shultz, the U.S. Secretary of State, and Mr Allan MacEachen, the Canadian External Affairs Minister, ended their recent meeting in Ottawa, Mr MacEachen said: "From my point of view considerable progress has been made in establishing a common understanding on how we ought to co-operate."

But the Secretary of State did not agree to Canadian requests for increased pollution controls on American industry to prevent acid rain being blown over the border, despoiling Canada's lakes and forests—yet another irritant in the relationship.

As Prof Stephen Clarkson of the University of Toronto, an expert on Canadian-U.S. relations, put it: "Layers of cosmetics are being applied to the relationship."

Recent Canadian Cabinet changes indicate a shift away from economic nationalism. Mr Herb Gray, the architect of the Fira a few years ago, has moved from direct responsibility for the agency to the Treasury Board. M Marc Lalonde, who designed the NEP, was moved from Energy to Finance.

Fira itself is being streamlined to speed the process by which foreign investment proposals are reviewed. The Agency has a new chief, who is expected to take a more relaxed view of foreign investment.

PRESIDENT REAGAN has ruled out imposition of a two-year ban on the granting of new licences for Canadian long-distance lorries to operate in the U.S., writes Nicholas Hirst in Toronto.

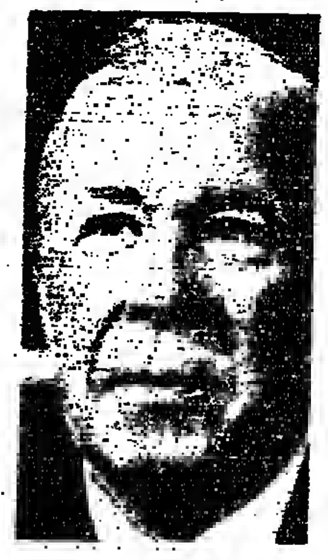
His decision allays fears of a damaging trade war. Some $60bn of goods is carried by road across the Canadian border.

Before leaving for his five-day visit to Latin America the President signed a memorandum ordering the U.S. Interstate Commerce Commission to "proceed expeditiously" with more than 100 Canadian applications for operating permits that have been held up by the dispute.

The dispute followed complaints by U.S. long-distance lorry operators that since the deregulation of the U.S. industry in 1980 it had become far easier for Canadians to get authority to operate in the U.S. than it was for Americans to cross into Canada.

Intense lobbying by U.S. trucking interests led to legislation by Congress imposing a two-year moratorium on new licences for Canadian carriers in an attempt to force "fair and equitable treatment" for U.S. carriers applying for licences in Canada.

The Canadian Government, through its Washington embassy, argued strenuously that there was no discrimination against U.S. operators. That position was largely accepted by the Administration, but for political reasons the White House had to appease Congress.



George Shultz (above) and Allan MacEachen: recent meeting.

Crackdown planned on Far Eastern shipping rates

BY ANDREW FISHER, SHIPPING CORRESPONDENT

A CRACKDOWN on member lines which try to win business at cheaper rates is planned by the Far Eastern Freight Conference, one of the world's biggest rate-setting bodies.

The Seattle-based Freight Conference Services will be used as a neutral company to see that the 32 FEFC members stick to new rate and volume agreements.

Those falling to could receive fines of up to $150,000 (£94,399). The member lines have agreed to the new system, which provides for searches of premises and documents if necessary, including those of local shipping agents.

Other conferences have used independent bodies to control agreements, but the FEFC move has drawn strong criticism from the London-based Institute of Chartered Shipbrokers and the Federation of National Associations of Ship Brokers and Agents. They are concerned about the effects on member agents and are looking at the system's legality.

Mr Brian Allen, director-general of the FEFC, said it had operated a milder form of control before. Member lines had agreed on the new stricter policy and arrangements with agents would be up to them.

FEFC members carry around 20m tons of cargo a year to and from the Far East. With trade depressed recently in recession, lower rates have been agreed to bring more stability and curb under-cutting by outsiders.

The new rates are much simplified and around 10 per cent below previous ones.

Reuter reports from Ankara: Shipping companies are protesting to the Turkish Government over a ten-fold increase in service charges for foreign vessels passing through the Bosporus and Dardanelles Straits.

The new rates for sanitary, lighthouse and life-saving services follow a central bank decision to abandon its old gold rate of $42.22 an ounce, to which the charges were linked, in favour of a daily gold price in line with current world bullion values, port and government officials said yesterday.

A foreign ship of 20,000 net registered tonnes now faces total charges of $43,000 for the three services, instead of $4,500.

Under the 1936 Montreux Convention governing traffic through the Straits, which link the Black Sea and the Mediterranean, service charges were tied to the price of gold francs, officials in Ankara and the port of Istanbul said.

AMERICAN NEWS

New Cabinet named in Mexico

BY WILLIAM CHISLETT IN MEXICO CITY

SR JESUS SILVA HERZOG will remain as Mexico's Finance Minister in the new Government of President Miguel de la Madrid which took office yesterday.

Sr Silva Herzog, who was responsible for negotiating Mexico's recent $3.9bn three-year credit with the International Monetary Fund and has been discussing with international bankers the restructuring of Mexico's $80bn public-sector debt, was the only minister to survive the outgoing Lopez Portillo administration.

The ruling Institutional Revolutionary Party has been in power for 53 years, although Presidents change every six years.

Sr de la Madrid has picked people closely identified with his plans to modernise the economy. Foreign bankers and western diplomats welcomed the changes. The new Cabinet has the look of a coherent team, unlike the previous one, which often seemed to be pulling in different directions at the same time.

The appointment of Sr Hector Hernadez, the new Trade Minister, underscores the determination of Sr de la Madrid to make more serious efforts to liberalise the highly protected economy and possibly reconsider membership of the General Agreement on Tariffs and Trade (Gatt).

Senor Hernandez, who was the deputy trade Minister in the last government, personally negotiated very favourable terms of entry into Gatt. Membership, however, was rejected in 1980 after a stormy national debate.

The fact that he is now the Trade Minister and that Sr de la Madrid himself was in favour of joining Gatt signals that this politically sensitive issue has not been buried.

Sr Bernardo Sepulveda, Mexico's ambassador to Washington, was named Foreign Minister. Sr Sepulveda, an urbane diplomat and economist, is thought likely to tone down Mexico's very active policy over Central America which has intensely annoyed Washington.

Mexico will not stop taking issue with Washington for its support of right-wing military governments battling against left-wing insurgents. But the Government's approach will probably be less strident, since Mexico needs all the U.S. economic support it can get.

The Industry Minister Sr Francisco Labastida, was deputy Planning and Budget Minister when Sr de la Madrid was Planning Minister, and drew up the country's first long-term global plan on how to make good use of the country's oil revenue.

Another senior planning ministry official, Sr Carlos Salinas de Gortari, at 34 the youngest member of the new Cabinet, has moved up to take the planning portfolio. These two appointments would tend to ensure that the global plan in not discarded as so many plans are in Mexico when governments change.

The one remaining important appointment is a new director of the Bank of Mexico. According to well-informed sources, Sr Miguel Mancera will return to the job.

He resigned as head of the central bank in September after publicly opposing the introduction of full exchange controls.

He was replaced by Sr Carlos Tello, a left-wing economist who became highly unpopular with Mexico's creditor banks. Sr Mancera's return would be a politically controversial appointment.

Other main Cabinet posts named by President-elect Miguel de la Madrid: Interior: Manuel Bartlett Diaz. Defence: Gen. Juan Arevalo Gardoqui. Navy: Adm. Miguel Angel Gomez Ortega. Agriculture and Water resources: Horacio Garcia Aguilar. Communication and transportation: Rodolfo Felix Valdez. Education: Jesus Reyes Heroles. Human settlements and public works: Marcelo Javelly Girard. Health: Gillermo Soberon Acevedo. Labour and Social Planning: Arsenio Farell Cubillas. Agrarian reform: Luis Martinez Villicana. Tourism: Antonio Enriquez Savignac. Fisheries: Pedro Ojeda Paullada. Attorney General: Sergio Garcia Ramirez. District Attorney for Federal District: Victoria Adato de Ibarra.

Washington-New York fibre optic link planned

BY RICHARD LAMBERT IN NEW YORK

MCI COMMUNICATIONS, an aggressive and rapidly growing U.S. telephone company, is to build a long-distance fibre optics system connecting New York with Washington, and five cities in between.

The 225-mile link will be completed in 1984, probably a little after American Telephone and Telegraph installs its first major fibre optics system in the U.S.

The MCI system, its first long-distance link, will have an initial capacity of 40,000 circuits, compared with the 10,000 circuits the company now operates by microwave between the two cities. It will be possible to expand the system quickly and relatively cheaply to 120,000 circuits.

MCI has not yet awarded the contract for installing the new system. This summer, it ordered a fibre optics installation for its New York connections from Fujitsu, the Japanese company whose unsuccessful bid last year for the AT&T contract caused a major political row.

Although it offered the best terms, Fujitsu's bid was rejected by the Telephone company for "national security" reasons. AT & T awarded the contract to Western Electric, its own manufacturing subsidiary.

The MCI installation will be built along the railway track owned by Amtrak, the state-funded passenger railway company. MCI will pay the railway company $4.4m (£2.75m) over 20 years for the use of the right of way, and will also supply Amtrak with free use of four fibres to support the railway company's operational and mechanical needs. Amtrak said it expected to lease additional space in the future for other communications links.

The installation will be a single-mode system, capable of carrying data and pictures as well as voice transmissions.

Argentine junta agrees to earlier elections

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S ruling military junta has agreed to bring forward the date of the presidential elections to a day still to be defined in the last quarter of 1983.

The military régime had originally set March, 1984, as a provisional date for the handover of power to the civilians. The change of plan, announced by President Reynaldo Bignone during a Cabinet meeting, appears aimed at defusing growing civilian opposition to the Government.

Leaders of the moderate faction of the General Confederation of Labour (CGT-Azopardo), Argentina's main trade union organisation, yesterday called a 24-hour nationwide strike for next Monday, to press for a 28 per cent salary increase for state employees and full union rights for all Argentine employees.

The strike, which is expected to paralyse a number of key sectors including public transport, the automobile industry and state-controlled electricity and gas companies, is the latest anti-Government action to be included in a hectic timetable of strikes and political rallies.

Current labour disputes have extended to the police force where officers in the northern city of Cordoba confined themselves to barracks in at least one district on Tuesday. The Buenos Aires police have threatened similar action for today to press for higher wages.

In a separate development, the hard-line union leaders of the CGT-Brazil faction are expected to demonstrate today outside the Ministry of Labour against what they believe is a lack of participation in dialogue by the authorities.

Union unrest follows the announcement by the major opposition grouping—the Multipartidaria—that it will stage a massive anti-Government demonstration in Buenos Aires on December 16.

UK NEWS

Steel losses rising again after 'improved' trend

BY IAN RODGER

THE BRITISH Steel Corporation (BSC) confirmed yesterday that its losses were rising again and its external cash needs for the current year would far exceed the £365m agreed with the Government last June.

An interim statement reveals an operating loss in the six months to October 2 of £97m, an improvement on the £166m loss in the first half of last year but a deterioration from the £76m loss in the second half of 1981-82.

"The improving trend was maintained in the first quarter of the current year, but then the order book weakened considerably due to lower demand combined with an increased share of the home market taken by imports," BSC's statement said.

Imports took 27 per cent of the UK market in the first half of 1982-83, compared with 22.5 per cent in the first half of last year and 24.5 per cent in the second half.

Other EEC countries are the largest source of imports, accounting for two thirds of the 3m tonnes imported in the first nine months of 1982. But there have been startling increases in tonnages from Eastern Europe, up 460 per cent to 172,000 tonnes; from South Africa, up 400 per cent to 87,800 tonnes; from Canada, up seven times to 59,800 tonnes; and from South Korea, up from 1,000 tonnes to 29,900 tonnes.

BSC's first-half loss is perhaps smaller than some might have feared, given recent reports that the corporation is now losing about £7m per week. But, as the statement says, the first quarter was strong and losses were contained during much of the second quarter by extending plant shutdowns for summer holidays.

Liquid steel production in the first half, at 5.9m tonnes, was 18 per cent below the level achieved in the previous two six-month periods.

Because of the unexpected deterioration in demand since the spring, BSC is closing more plants this year than it originally planned.

The cost of closures agreed since Mr Ian Macgregor, the corporation's chairman, presented the annual accounts in July is £330m, of which £210m is to cover redundancies and closure costs. The remainder consists of asset write-downs.

The £365m external financing limit agreed with the Government last June was intended to cover not only closure costs but also BSC's operating losses, which were forecast to be about £175m for the full year as well as its capital spending needs.

Mr Stan Orme, Labour's Shadow Industry Minister, said yesterday that the Government's monetarist policy and its failure to curb imports had made a significant contribution to the fall in demand which had placed the UK steel industry in a crisis that threatened its very existence.

Demanding an "across-the-board" freeze on steel imports, he insisted: "We have a right to say to our EEC partners, 'enough is enough'."

Mr Orme gave a warning that Labour would oppose the closure of any one of BSC's five major plants. "We have got to maintain a viable steel industry," he said.

● BSC is actively considering investing in the manufacture of a new aluminium-zinc coated sheet, Galvalume, developed and patented by the U.S. Bethlehem Steel Corporation.

At least nine world steel producers have already taken out licences for the process.

Lamont gives hint of more big cuts in steelmaking capacity

BY IVOR OWEN

FURTHER indications that the Government is poised to impose substantial new cuts on the British Steel Corporation (BSC) were given by Mr Norman Lamont, Minister of State for Industry, in the House of Commons last night.

He insisted that the problems raised by a steel industry that was operating at below half capacity and by its heavy losses could not be ignored.

The mounting crisis in the industry's public and private sectors was underlined by Mr Edward du Cann, the Conservative MP, when he endorsed Opposition demands for tougher government action to curb steel imports.

He said: "I am no protectionist, but I am sure I was not elected to see the British workforce, as a matter of practice, sacrificed on the altar of the theoretical benefits of laissez-faire free trade. When trade is unfair, there are no benefits."

Mr du Cann, a director of a Sheffield-based private steel company, also warned ministers that he and other Tory backbenchers would not be prepared to watch the demise of the private sector steel industry through its inability to compete with an unprofitable state corporation kept in being by excessive demands on the taxpayer.

Mr Lamont highlighted the "difficult decisions" facing the Government in deciding the size of BSC by stressing that it was at present producing 10m tonnes of liquid steel a year from a total capacity of 21m tonnes.

He confirmed that the Cabinet had not yet reached any decision on the fate of BSC's five main plants, but he emphasised: "There is obviously a very large margin of spare capacity."

It was a "chilling fact" that it would require a 1½ per cent to 2 per cent growth in industrial production merely to ensure that steel production remained constant. Mr Lamont ridiculed the pledge given by Mr Michael Foot, the Opposition leader, to maintain a steel industry with an annual capacity of 25m tonnes if Labour came to power. "That would be the charge of the economic Light Brigade," he said.

He told critics of the level of steel imports permitted by the Government, that such imports accounted for 27 per cent of the UK market, compared with an import penetration level of 35 per cent in France and 43 per cent in Germany.

Lloyd's moves to improve its image

By John Moore

SIR PETER GREEN, chairman of Lloyd's of London, and the ruling committee of one of the world's oldest insurance markets, adopted proposals yesterday for radical changes for improving its image within the City of London.

Lloyd's committee approved the appointment of a "think tank" to deal with "long-range strategic problems." It also approved the appointment of a head of the information and press department.

The new "think tank" is envisaged to comprise of three members of the Lloyd's community and two outsiders, "one of whom would hold an authoritative position in the media world and one who would preferably have major experience in the economic area."

Lloyd's has been under intense pressure in recent weeks from the authorities to ensure that self-regulation is working within the market and the discussion document says that the prime problem Lloyd's faces in its public affairs is to "restore confidence that our house is in order."

Financial Times insurance conference, Page 36

BSR seeks banks' support for rescheduling plan

BY RAY MAUGHAN

BSR, the record-changer and computer peripheral equipment manufacturer, is to meet representatives of Barclays Bank and Lloyds Bank, its main UK bankers, early next week to present proposals for a rescheduling of its short-term borrowings.

The proposals are expected to contain details of a rights issue to raise a minimum of £20m.

The group's operations have undergone a thorough examination since the middle of October when Mr John Ferguson, the chairman over the previous 14 years, resigned in favour of Mr Bill Wyllie.

He is understood to have completed a big review of the group's activities and its prospects, paying particular attention to overall borrowings and the future of the main UK record changer operations.

Debts have been swollen to about 100 per cent of shareholders' funds, after UK losses and write-offs against stocks and closures.

The record changer business lost £4.1m in the first six months of the year in the wake of high interest rates and strong import competition.

What was once one of Britain's strongest exporters has been hit by previously high sterling parities and changing consumer tastes in the U.S. its most important market.

Problems in the UK have been eased by the strength of its recently-acquired Far Eastern electronics businesses, notably Astec, which produces computer equipment and which introduced Mr Wyllie to BSR in the first place, together with Astec's other founders, Mr Neil Stewart and Mr Brian Christopher.

Electronics operations in the Far East more than doubled their profit contribution in the first half of 1982 to almost £7m, but the group as a whole recorded a pre-tax loss of £1.6m.

BSR has also been grappling with a stockpile, initially worth more than $30m, in its audio cassette business in the U.S., although London brokers now believe that these inventories have now been brought down to below $3.5m.

It is now expected that BSR's meeting with its bankers will be followed by an explanatory circular to shareholders detailing the rescheduling proposals and the new funding plans. The group has been presented by some external analysts as capable of strong recovery when the UK problems have been corrected and that view still pertains.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1981							
4th qtr.	101.0	89.6	90	105.4	168.5	2,752	104
1982							
1st qtr.	100.7	89.2	92	106.6	141.3	2,817	112
2nd qtr.	100.9	88.9	88	106.2	145.4	2,878	107
3rd qtr.	101.0	88.8		108.7	151.0	2,984	111
January	100.2	88.3	93	107.0	143.9	2,812	112
February	100.8	89.7	94	106.1	137.6	2,818	113
March	101.0	89.6	88	106.6	142.3	2,822	111
April	101.1	89.1	96	105.9	146.1	2,850	110
May	101.6	89.7	93	105.9	145.4	2,872	107
June	100.0	88.0	76	106.8	144.8	2,911	105
July	100.9	88.6	86	107.6	152.2	2,926	111
August	101.0	89.1	82	109.2	150.9	2,987	114
September	101.0	88.8		109.1	150.1	3,037	107
October				109.5		3,060	114

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1981							
4th qtr.	93.4	89.1	123.1	85.6	82.3	75.6	11.8
1982							
1st qtr.	92.4	91.8	121.2	86.1	80.9	74.4	14.7
2nd qtr.	91.8	91.9	121.9	86.7	78.0	71.8	17.5
3rd qtr.	91.7	92.7	121.6	87.5	70.1	71.5	17.9
January	91.0	90.0	121.0	85.0	81.0	75.0	11.4
February	93.0	91.0	121.0	86.0	84.0	75.0	15.2
March	93.0	91.0	121.0	87.0	78.0	73.0	17.5
April	91.0	92.0	122.0	86.0	81.0	73.0	17.7
May	93.0	92.0	122.0	87.0	80.0	74.0	17.2
June	91.9	92.0	120.0	87.0	73.0	68.0	17.6
July	92.0	93.0	122.0	87.0	70.0	71.0	17.3
August	92.0	93.0	121.0	88.9	71.0	71.0	16.5
September	91.0	93.0	122.0	88.0	69.0	73.0	19.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1981							
4th qtr.	132.0	125.7	+490	+1,483	+696	99.2	23.35
1982							
1st qtr.	125.3	122.5	+323	+720	+707	101.1	18.97
2nd qtr.	130.7	129.1	+103	+887	+832	101.1	17.70
3rd qtr.	124.5	125.5	+368	+968			
February	124.3	120.2	+177	+309	+289	100.7	23.37
March	132.7	124.5	+260	+392	+231	101.3	18.97
April	133.7	126.5	+224	+485	+406	101.4	18.16
May	132.0	134.0	−115	+148	+314	100.9	17.82
June	126.4	124.8	−7	+254	+162	101.0	17.70
July	125.7	124.0	+166	+366	+401	100.5	17.94
August	117.6	124.2	−37	+163	+484	101.5	18.11
September	130.8	123.2	+239	+439	+373	99.9	18.30
October	127.4	124.9	+259	+459			18.50

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
3rd qtr.	8.1	18.1	29.7	+8,031	896	2,067	—
4th qtr.				+2,365	451	2,081	—
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,583	1,344	2,188	
3rd qtr.	15.2	12.6	28.3	+4,851	1,796	2,397	
February	8.0	6.9	17.1	+1,131	347	698	
March	3.7	7.2	24.5	+1,206	264	794	
April	−3.3	4.8	26.1	+1,648	437	728	
May	−0.5	9.5	26.8	+1,684	478	710	
June	10.7	10.3	25.8	+1,251	429	750	
July	14.3	11.4	29.4	+1,370	691	698	
August	17.5	12.4	26.6	+2,036	437	856	
September	14.1	13.9	28.8	+1,439	668	843	
October	24.0	18.1	32.4	+2,887	886		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
1982							
1st qtr.	216.9	238.2	234.3	311.6	297.7	242.40	91.1
2nd qtr.	222.7	240.0	238.2	321.5	304.1	233.46	90.3
3rd qtr.		244.9	242.0	323.0	297.0	228.88	91.4
January	214.1	238.9	232.9	310.6	296.1	252.85	91.1
February	217.0	240.1	234.4	310.7	297.2	247.40	91.5
March	219.7	235.7	235.5	313.4	299.5	242.40	90.5
April	219.6	238.2	237.0	319.7	302.6	246.84	90.0
May	222.5	237.7	238.3	322.0	305.6	237.39	89.9
June	226.0	243.2	239.2	322.9	304.1	233.46	91.1
July	230.3	245.0	241.0	322.9	299.5	228.51	91.2
August	226.9	244.1	241.7	323.1	295.5	229.60	91.4
September	228.9	245.7	243.2	322.9	295.5	228.66	91.7
October		246.4	244.7	324.5	296.5	227.15	91.5
November						228.03	89.5

* Not seasonally adjusted.

Coal industry faces operating loss of £450m

BY JOHN LLOYD, LABOUR EDITOR

THE NATIONAL Coal Board (NCB) is heading for an operating loss of £450m in the current year, about £20m more than in 1981-82.

This loss will be registered before the payment of government grants, which will reach a total of £526m in 1982-83. This is £46m up on the £480m agreed between the board and the Government earlier in the year, and breaks down to £131m in social grants and £395m in operating and deficit grants.

These figures emerged yesterday when Mr Norman Siddall, the NCB chairman, appeared before the House of Commons select committee on energy. Mr Siddall confirmed to the committe that a drop in sales to the Central Electricity Generating Board (CEGB), the NCB's biggest customer, would result in the need to confront the National Union of Mineworkers with plans for further pit closures.

It is understood that the negotiations between the two boards might result in coal sales in 1983-84 of around 72m tonnes, instead of 75m.

The latter figure was set by a five-year understanding between the two industries, which runs to 1985. The CEGB agreed to take 75m tonnes a year on condition that the coal board kept its price increases below the rise in the retail prices index. But the CEGB now has a high surplus of stocks, standing at about 26m tonnes.

A figure of 68m tonnes a year, mooted by the CEGB chairman, Dr Walter Marshall, is understood to refer to sales which the NCB will make to the CEGB from its low and medium-cost pits. However, the CEGB has apparently indicated its willingness to take a further 3m-4m tonnes of high-cost coal at "spot" prices, in accordance with a new "three-tier" price structure which it now favours.

The negotiations have also resulted in a reduction of the NCB's price rise on the sales to the CEGB, from a proposed 7.6 per cent to 8.8 per cent.

Both Mr Siddall and Mr Mike Parker, head of the board's central planning unit, emphasised that the growth of output to 170m tonnes envisaged by the industry's Plan for Coal was now out of court.

Unions to back 4.8% engineering wage deal

By John Lloyd

LEADERS of the 17 unions with members in the engineering industry yesterday agreed to recommend a 4.8 per cent rise on basic rates for more than 1.5m engineering workers.

Agreement was reached after two hours of talks between the Engineering Employers' federation (EEF) and the Confederation of Shipbuilding and Engineering Unions which resulted in an improvement on the 3.6 per cent offer made by the EEF in September.

The offer will put £4 on the national minimum time rate for skilled workers, taking it to £87, and £2.90 on the unskilled rate, taking it to £62.60.

Mr Terry Duffy, president of the Amalgamated Union of Engineering Workers – the industry's main union said that he would recommend his policy-making national committee to accept the offer

He said: "There is a general recognition that our industry, through lack of governmental and bank support, is in a parlous state."

Dr James McFarlane, the EEF's director general, welcomed an amicable agreement, but added that his members were "not optimistic" about the future.

Ford, Vauxhall set for pay peace

BY PHILIP BASSETT, LABOUR CORRESPONDENT

CAR WORKERS at Vauxhall Motors' assembly plant at Luton voted almost unanimously yesterday to accept an 8 per cent pay offer. Ford's 8.2 per cent offer was also accepted at the first of a series of mass meetings at Dagenham and Basildon but workers at Talbot's Ryton plant rejected an increase of 2 per cent.

Vauxhall has effectively secured acceptance of the offer overall. The result of a ballot which has been held among the company's 2,500 manual workers at its truck factory at Dunstable is expected to be known today.

While shop stewards there have recommended rejection, Vauxhall officials are confident that it will be accepted. Even if it is not, it seems likely that the company will implement the increase in any case, as more than 80 per cent of its 15,000 hourly-paid workers have voted in favour.

The decisive Luton vote came when shop stewards reluctantly recommended a mass meeting of about 5,000 of the 7,000 workers at the plant to accept it. Union leaders at the meeting disclosed that Mr Alex Kitson, deputy general secretary of the Transport and General Workers' Union (TGWU), is hoping to arrange a meeting with Spanish union officials on the Vauxhall workers' proposed plan to block imports of the Spanish-built Vauxhall mini-car, the Nova.

The TGWU is to set up a fighting fund at the Luton plant to finance a campaign against the car.

Pay votes at the two Ford plants were taken at the first of a series of meetings at all of the company's 24 British plants, which will continue today. Union negotiators are recommending acceptance of the deal.

While Vauxhall and Ford seem to be heading towards settlements, a 2 per cent pay offer at Talbot ran into difficulties yesterday when workers at the Ryton assembly plant, which makes the Alpine and Solara, voted heavily to reject it. The Stoke engine plant will vote on the offer today.

There is some feeling of militancy among Talbot workers after a low deal last year of 2½ per cent. The union is claiming rises this year of 10 per cent, to keep them in line with what they say are average earnings in the Coventry area.

Outlook 'bleak' for De Lorean creditors

By Our Belfast Correspondent

THE OFFICIAL liquidators of De Lorean Motor Cars yesterday told unsecured creditors meeting in Belfast that their chances of receiving any payment from a winding-up looked bleak.

There are about 2,000 unsecured creditors in Northern Ireland, mainland Britain and Europe who have lodged claims of more than £41m. Renault, which supplied engines for the sports car, obtained a winding-up order from the High Court last month.

Mr Patrick Baly of the London accountants Pannell, Kerr, Forster, who is joint liquidator with Mr George Duffin of the firm's Belfast office, told the meeting there appeared to be "nothing left in the pot."

The meeting agreed to form a nine-man committee of inspection to assist the liquidators. Mr Baly said they would do all in their power to find assets for the creditors. But there would be no dividend unless money appeared from some source not charged to the debenture holders.

Receipts from the joint receivers, Sir Kenneth Cork and Mr Paul Shewell, showed they had realised about £4m, of which £2m was from the sale of cars. In the process they had incurred costs of £6.8m, of which about £4m was for wages and salaries, Mr Baly said.

The receivers were still in the process of disposing of most of the company's assets. They had given an option to lease the plant to Consolidated International, a U.S. finance group, and this would expire just before Christmas.

UK managers buy Péchiney wire division

By Raymond Snoddy

THE MANAGERS of E. E. Kaye, the non-ferrous metal manufacturer, owned by Péchiney Ugine Kuhlmann, of France, have bought out the company's wire division.

The parent company decided for strategic reasons to quit wire manufacture in the UK. Mr Pierre Denis, managing director, said yesterday: "The division was trading at a profit. It would have been a pity to abandon this activity purely for strategic reasons."

E. E. Kaye has annual sales of about £10m, employs net capital of £2m and has about 200 employees in Enfield, Middlesex.

The wire division is the original trading activity of E. E. Kaye, established in the 1920s. It specialises in the manufacture of copper and aluminium wire strip and strand for electrical and non-electrical markets. Péchiney will continue to give the wire operation technological and other support.

Tesco Stores plans to raise nearly £55m

BY RAY MAUGHAN

TESCO STORES, which vies with J. Sainsbury for the mantle of Britain's biggest food retailer, is to replace short-term debt by raising almost £55m.

The group's borrowings and overdrafts amount to about £50m and Tesco plans to raise about £54.65m by the issue at par of £56.06m 9 per cent convertible unsecured loan stock repayable within 25 years.

Every £1 nominal of the loan stock will be offered to holders of six ordinary or "A" ordinary shares, with every £100 nominal of the stock convertible between 1986 and 2002 into 80 ordinary 5p shares.

Tesco explained yesterday that it had considered other funding options but had turned down the chance of a straight rights issue in view of the 15 to 20 per cent discount to existing share prices dictated by this form of financing.

A fixed-interest issue was also a possibility, given the re-opening of the corporate bond market this autumn, but the stores group said the coupon available on a debenture issue, secured on fixed assets worth almost £500m, would have been about 13 per cent.

This is the first time for more than a decade that Tesco has come to the stock market for new finance.

In 1973 the group operated 772 shops, of which only 4 per cent exceeded 25,000 sq ft. At present, 45 per cent of the store portfolio, or 83 units, exceeds 25,000 sq ft.

Tesco's profits in the first 24 weeks of its present financial year, which runs to February 1983, were almost 38 per cent up on a year before at £20.1m against a flat comparable period, and the financial markets are expecting year end profits of some £55m.

Tesco has, however, lost market share to Sainsbury in the last few years and its command of the packaged grocery trade, now at 14.3 per cent, is about one percentage point lower than Sainsbury's.

Lex, Page 20

Further £30m in aid for fibre optics

By Jason Crisp

THE GOVERNMENT has substantially increased its support for Britain's fledgling fibre optics industry. Mr Kenneth Baker, Minister for Industry and Information Technology, announced yesterday that government support was being increased from £25m to £55m.

The original £25m support scheme, launched only in July 1981 and intended to last for five years, has nearly all been used up. The Government is particularly keen to see Britain exploit its strong position in the fibre optic technologies.

Fibre optics are a way of transmitting large volumes of information by very rapid pulses of light down pure, hair-thin strands of glass. The financial support covers production of the fibre and the opto-electronic devices which convert the electronic signals into light pulses and back again.

British Telecom is by far the largest user of fibre optics in the UK. It is undertaking a major programme to replace the co-axial copper cable

Computer system 'cuts' the unemployed figures

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

FAIR number catcalls can be expected from the sidelines today when the Department of Employment's new, computerised unemployment figures take the field for the first time.

The computer system, which counts the number of people entitled to unemployment benefits on a particular day once a month, replaces the manual count of people registered as seeking work at job centres.

A dummy run last month showed that the computer method yielded a total (including school leavers) which was about 250,000 fewer than on the old system.

More generally, over the last 13 months, the computer count would have reduced the total recorded as unemployed by an average of about 190,000 each month, or about 6 per cent of the total.

This amount of underrecording cannot be regarded as a minor statistical discrepancy. On a seasonally adjusted basis, and excluding school leavers, the average difference between the two methods is about 140,000. That figure is equivalent to the total underlying increase in the number of unemployed for the five months from June to October.

Such a large difference between the two systems is embarassing for officials because it is about three times higher than estimated when the system was first announced last spring.

Then, the department thought that the system would reduce the unemployment total by only about 50,000, or 2 per cent, a figure which could easily have been accepted as being comparable within the margins of error.

The embarassment is likely to be compunded when the public becomes aware that it is very difficult, if not impossible, to convert the new figures back into the equivalent old numbers.

That is because the new computer-based total for November will not be produced in comparison with an "old" figure. Henceforth, the computer count reigns supreme.

The change follows the implementation of a key recommendation in one of Sir Derek Rayner's scrutinies of efficiency in Whitehall. That was that adults claiming unemployment benefit should no longer be obliged to register with job centres.

The new system, which came into operation on October 18, will mean that the records at job centres or careers offices will no longer reflect the true total number of the unemployed. They will not correspood, even in theory, with the number recorded by the Department of Social Security's computers as receiving benefit.

Once the new system had been agreed therefore, the only feasible method of counting the unemployed was to tap directly into the computers. This had advantages for the Government, because there will be a substantial saving of manpower in the job centres, now that they are freed from the laborious monthly task of counting the unemployed.

Another advantage claimed for the new system is that a computer count should be more reliable than a manual count in hundreds of different offices. It should also be much faster. However, there are two difficulties; one is technical but the other is a matter of principle.

The technical problem is that the relatively slow-moving total recorded in the unemployment statistics conceals a very large ebb and flow of people. Each day, about 15,000 people move off the register and a broadly similar number moves on to it.

Because of the inevitable delays in collecting information from unemployed people, the statistics may underestimate the number of people who have recently moved into jobs. Officials at first thought that job centres would be more up-to-date than benefit offices, and the benefit computer would record a higher total.

TECHNOLOGY

EDITED BY ALAN CANE

WHY INMOS NEEDS A NEW LANGUAGE AS WELL AS FUNDING

Occam: Bristol's gift to microworld

BY ALAN CANE

INMOS, the Anglo-American state-backed micro-electronics company, has launched its long awaited microcomputer programing language, Occam.

Named after the 14th-century philosopher, William of Occam, who advocated keeping things simple, Occam was designed by Iann Barron, Inmos director of strategy, and written by Inmos microcomputer specialists in the UK under David May.

So what is a microcomputer language; why should a new one be needed, and what is so special about Occam?

The answers are crucial to the future of Inmos, still short of £10m of short-term finance.

While Inmos's early thrust has been directed towards memories, both for commercial reasons and to develop its silicon processing expertise, it is no secret that Iann Barron has been cultivating the notion of a new kind of microprocessor, the transputer, an entire microcomputer with processor, memory, and input and output circuitry all on one chip which can be used at the component level in electronic circuitry.

Barron sees the future in terms of many of these transputers working together in parallel (concurrently). And Occam is the language he will use to tie them all together, rather like building blocks held together with glue.

Iann Barron said yesterday: "You should think of Occam as Inmos' gift to the world. We are working at the very large scale integration of electronic components: these will work most effectively not sequentially but all together. We wrote Occam to solve the problem of the design and implementation of massively parallel system of the 1980s and beyond. Now we are making it available to the rest of the world."

Barron said that the Inmos design team in Bristol were using Occam to specify the design of the transputer, due for introduction in 1984.

Occam is a high level language (one that uses English-like commands) but it is intended for experienced programmers.

Popular

So it does not look much like, say, Cobol, the most popular business programming language or Basic, the most popular programming language for novices and microcomputers.

Here is a short extract of a program writen by Inmos to demonstrate the use of Occam in updating an old fashioned tea maker so that it will make tea, speak the time and wish you good morning. Button? request.

```
IF
(request=tea, please) AND
NOT brewing
PAR
brewer! make, tea
brewing: =TRUE
request=time, please
speaker! say.time, NOW
```

Iann Barron (right) and Dick Petritz of Inmos: proving the glue to hold many micros together.

Some years ago in his seminal *Future with Microelectronics* Barron wrote: "There is little evidence to suggest that further developments of programming languages could improve programming performance more than marginally, given the current level of understanding of language design."

Is then, Occam Barron's sought after breakthrough? He says not: "I would like to claim that is the major advance in programming but that would be overstating the facts. Other languages such as Ada, Fimula and Pascal have all tackled the problem of concurrency."

But Barron and Inmos claim that Occam is a major advance on current languages designed for single processors: "Although these languages do allow a system to be broken down into its separate components, they insist on executing these components one at a time. This is a poor picture of the system's real shape and behaviour."

So Occam is important for the success of Inmos' microprocessor design project (the transputer will be only the second commercial European designed microprocessor after the Ferranti F100L) and basic to its ideas of systems implementation.

Credibility

To help spread its "gift to the world," Inmos is offering an evaluation kit for £100 tailored for the Apple II, the Sirius 1 or Victor 9000, Intel MDS 11, DEC LSI-11/23, VAX/VMS and the IBM Personal Computer. It includes language and compiler manuals together with installation instructions and example programs. The language at present runs on a UCSD p-system host.

What gives Occam a special mark of credibility is the fact that Professor CAR (Tony) Hoare, the influential Oxford academic who created the CSP (Communicating Sequential Processes) concept, an advanced parallel programming construction, advised on its design. Inmos is on 0272 290861.

ACCOUNTING

Financial package now for sale

BY ELAINE WILLIAMS

FINANCIAL director Roy Watts wanted to automate his company's complex accounting system cheaply using micro computers.

It worked so well that Mr Watts decided to sell the system to others. So he and the colleagues who developed the accounting package, have set up a new company called Shortlands Computing to market the expertise.

Some 42 per cent of the company is owned by Halcrow, the engineering consultancy for which Mr Watts worked. The remaining shares are in the hands of the founders, which include Mr Mike Rowland, who is an accountant turned computer software expert and was mainly responsible for the accounting system design.

Shortlands says that its financial accounting system is applicable to both large and small companies. This is because it was originally developed for Halcrow which is a group made up of variously sized companies.

In addition, the system has a very sophisticated foreign exchange package. Again this was designed because 90 per cent of Halcrow's activities are overseas spanning 25 countries. For example, the group has one large project in Indonesia where it is dealing in three different currencies.

The software available ranges from general ledger and budgetary control, sales ledger, labour costing, cash book systems, payrolls to customer order processing and sales invoicing.

The system can be run on both single and multi-user microcomputers with automatic data transfer between software packages.

Already Shortlands has won several orders for its system which it has designed to run in Cobol language on Zilog's new multi-user microcomputer, the System 8000, though it can accommodate other hardware.

One of its biggest orders, since it started operating in September, comes from Kleinwort Benson, of the international banking world. It ordered a £10,000 system which would have cost far more using minicomputers.

"We are accountants so we are experienced in pushing numbers around," says Mr Watts. "We know there is a vast market for our product, the main problem is getting known."

Pumps

Sphere inflation design

PIPELINE ENGINEERING of Catterick Bridge Industrial Estate (0748 818341) has designed a pipeline sphere inflation pump which incorporates a reservoir made from a high grade polyurethane elastomer. Other parts are manufactured from stainless steel and cast aluminium alloy.

The pump for the inflation of hyperbaric spheres will accommodate spheres ranging from four to 42 ins. For critical inflation a pressure gauge can be incorporated with hose supplied to any length.

Graphics

Digital plotters

IF YOU do a lot of plotting—of the graphical kind—then Calcomp has introduced a new microprocessor based range of digital plotters.

Costing £10,500 and £14,500 Calcomp claims that its models 945 and 965 can produce plots up to twice the speed of any other machines in their price ranges. To find out more contact Calcomp on 0344 50211.

Instruments

Logic analyser

STC INSTRUMENT Services has introduced the Iwatsu SC-4602 which is a 40MHz multifunction portable logic analyser for use in electronics faultfinding for both hardware and software.

The instrument can analyse serial data at up to 19.4 kps and has a 1k/channel memory for information storage. More information on 0270

Computers

Sundance in the UK

THE ONYX Sundance 16 bit computer, with in-built Winchester hard disk options to 21Mbyte is now available in the UK. It is a multi-user system using its 516 Kbytes of memory to support up to five terminals.

The price of the system is likely to be about £10,000 and comes with a wide range of software from integrated accounting, payroll, word processing to stock control all written in Cobol and run on the Unix operating system. More information can be obtained on 09066 5432.

ARIANE SET TO TAKE A LOOK AT THE 'HARBINGER OF DOOM'

Giotto remembered in Halley's Comet probe

The Florentine painter, Giotto di Bondone was responsible for the "Adoration of the Magi" fresco which decorates the Scrovegni Chapel in Padua. Giotto used the comet which appeared in 1301—a few years before he began work on the fresco—as a model for the Star of Bethlehem in the Adoration scene. Present day astronomers consider the painting as the first scientific representation of Halley's Comet MAX COMMANDER *updates the scene for the 1980s.*

ASTRONOMERS and space experts in the 1980s may not be too concerned with the "Adoration of the Magi," but they are concerned with the reappearance of Halley's Comet.

The last time Halley's Comet appeared anywhere near the Earth was in 1911. Seventy-five years later in 1986 this old-fashioned "harbinger of doom" is due to swing its lonely way back through the emptiness of the Solar System and sufficiently near to Earth for modern specialists to get a closer look.

For some years astronomers and space scientists have plotted and planned to try to get a close up look at this lonely wanderer and it's nice to know that the European Space Agency is determined to lead the way to settle once and for all the composition of the comet's nucleus.

With some panache, ESA has named its cometary probe "Giotto" and intends to fly it to within a few hundred kilometres of the comet's nucleus.

The Soviet Union plans two Vega spacecraft to fly past the nucleus at a distance of 10,000 kilometres, while the Japanese plan to launch a Planet A spacecraft which will pass the comet at a distance of 100,000 kilometres.

All the distances are tiny by space standards but the U.S. which had not intended to take part in the fly-past is now talking of joining in with an adapted rocket.

Three country

At the last count Halley's was detected—about mid-October—at around 1.6bn km from Earth, confirming its reappearance and visible from Earth at about 145m km in March 1986.

The three country space mission will be backed by a worldwide programme using ground based telescopes—the Halley Watch—the U.S. and ESA is supporting this.

But ESA has planned its encounter rather better than the others. Already proposals announced allow for the launch of an Ariane rocket from Kourou, French Guiana, in the first half of 1985. The probe will go into a geostationary orbit with a perigee of 200 km and an apogee of 35,700 km.

A few days later the spacecraft will be inserted into a heliocentric transfer trajectory to the comet. The journey will take eight months, but if all goes well at midnight GMT on March 13, 1986 the probe should encounter the comet.

There is one problem. Halley's Comet has a retrograde orbit. This means that while all sensible planets in the Solar System orbit the Sun in the same direction Halley's goes the other way around.

There is no way of overcoming this so that Giotto will almost meet the comet head on. Not quite, but its fly-past velocity will be about 68 kilometres per second and ESA experts are looking for some new technological solutions—one is how to equip the spacecraft with a shield to protect it from the high velocity impact of dust grains.

Measurement

ESA plans ten experiments in the Giotto payload. There will be a colour camera for images of the coma and nucleus; three spectrometers for measurement of the composition of dust and gas in the cometary atmosphere and various plasma experiments for studies of the interaction between the solar wind and the comet.

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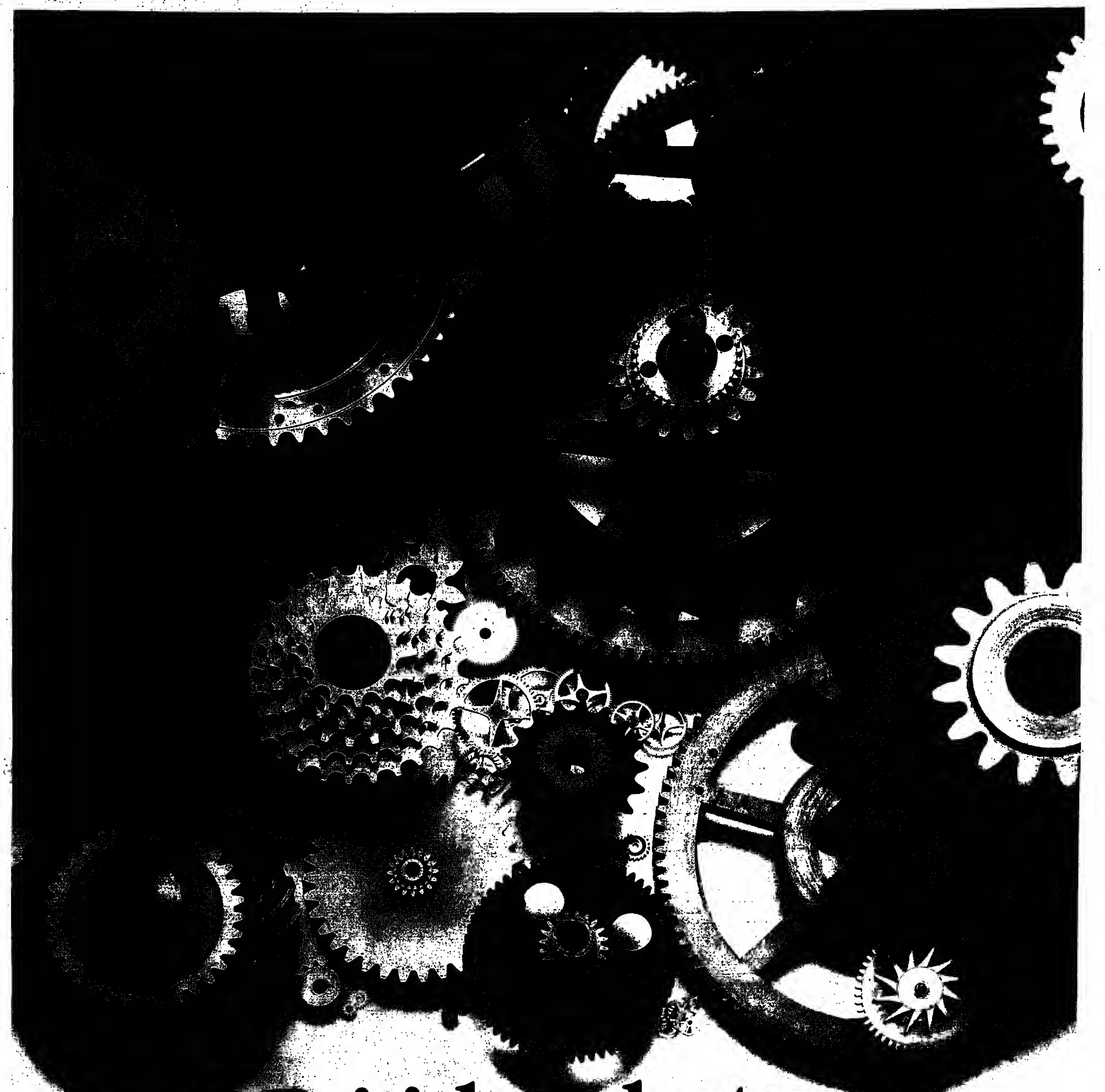

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You can be sure of Shell

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

ADVERTISING: BY FEONA McEWAN

Press fends off TV threat

IN A business goaded by the *spur of "accountability,"* the advertising fraternity is forever on the scent of the ultimate statistic. Should anyone be fool enough to imagine that for all its bunches, ruses and brainwaves this was not the most deadly serious of industries, there is the weekly spate of surveys, reports and conferences monitoring and criticising its doings, to prove it. Behind the carefree public front, advertising *is at heart a precise craft,* continually striving to be more so.

A key question that preoccupies many a media buyer is how big an impact television advertising has had and continues to have on press advertising—traditionally, in most European countries, the sector with the lion's share of the ad cake. The answer, according to a report just out, is . . . not a lot. According to the report called "Television advertising—a threat to the daily press?"* the volume of press advertising has, if anything, increased in Western Europe rather than declined as commercial TV has evolved.

Statistics examined for the survey relate to the 1970s and, where figures were available, to the *1960s too.*

The survey was conducted in 13 European countries (including Belgium, Norway, Denmark and Sweden, which have yet to sanction commercial TV) by Svenska PR-Bryan AB, the Swedish arm of Carl Byoir, the world's third largest public relations consultancy, which believes the survey to be the first to consider all forms of advertising.

The survey found that in *none of the countries in question* had the daily press lost any share of the total advertising expenditure because of television advertising. In countries where there is high consumption of daily newspapers and where *television advertising is regulated,* the total advertising expenditures in the daily press had actually increased. This situation occurs in countries where the TV spend is between 5 and 15 per cent of the total advertising spend (Austria, *Finland,* Holland, Switzerland, West Germany) and in Britain, where the figure was about 20 per cent.

In Finland the daily press advertising spend has been on the increase since TV advertising was introduced in 1956 at the rate of about 2 to 2.5 per cent a year.

There is no evidence in the survey to show that total advertising expenditure as a proportion of gross domestic product is higher in countries with TV ads than in those without.

Where TV advertising has bitten hard, however, is the direct mail market. From the Byoir survey it emerges that in countries where TV advertising budgets amount to 10 per cent or more of national advertising budgets, direct mail volume is reduced and rarely exceeds the 10 per cent level. In those Nordic countries deprived of TV advertising, on the other hand, direct mail has soared to "unproportional volumes." In Sweden, for instance, direct mail accounts for a hefty 40 per cent of total advertising expenditure.

In countries where TV's advertising share is about 10 *per cent—Austria,* Finland, France, West Germany—direct advertising's share of the total spend remains at about 10 per cent or below.

And in countries like the Netherlands where this spend is exceptionally *low and* Switzerland (6 per cent) direct mail advertising has risen sharply to 30 per cent and 18 per cent respectively.

Countries without television advertising show the same *runaway rate of direct* mail advertising—Norway to over 20 per cent, Denmark to 30 per cent and Sweden to over 35 per cent, and all still rising.

A different perspective of the relationship between TV and press advertising in Europe is taken by Michael Hook, managing director of Ogilvy and Mather International Media (which operates in some 40 countries). He says the reason that the daily press has not been affected in most continental countries is that the TV time available there is severely restricted. "It's an artificial situation. If there was a free market, in my opinion, you could expect to see the share of TV advertising in line with *the percentage share of the* British market, at around 27 per cent."

The point here is that, unlike the rest of Europe bar Italy which has private TV stations, and Spain which has unlimited commercial airspace, Britain has about as much commercial airtime as it wants.

According to agency Young and Rubicam—which states in an October bulletin that only in Britain, Ireland and possibly Austria and Spain can advertisers obtain sufficient airtime—the American advertisers have *from 9½ to 16 minutes advertising* time per hour, on three national channels, and the British have seven minutes per hour on two channels. By contrast the French advertiser has 20 minutes per day on two channels, the Finns 12 minutes a day on two channels and the Dutch 15 minutes a day on two channels.

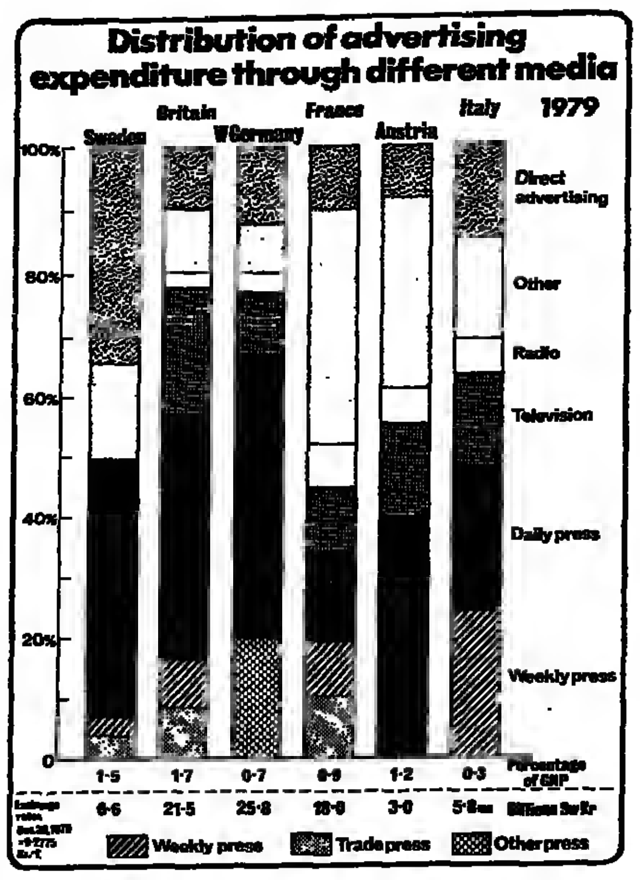
Y and R senses a mood shift, however, with a trend towards a less stringent attitude to TV broadcasting enabling advertisers increased access. Italy already has private television. Spain has *approved private* broadcasting in principle and a draft law to this effect awaits Government approval.

The French parliament recently passed a law reorganising broadcasting less *rigidly, including allowing* advertising on the third French channel due in January, bringing advertisers access to regional TV for the first time. The Dutch face consumer pressure for improved programming which may lead to a relaxation of restrictions on state TV.

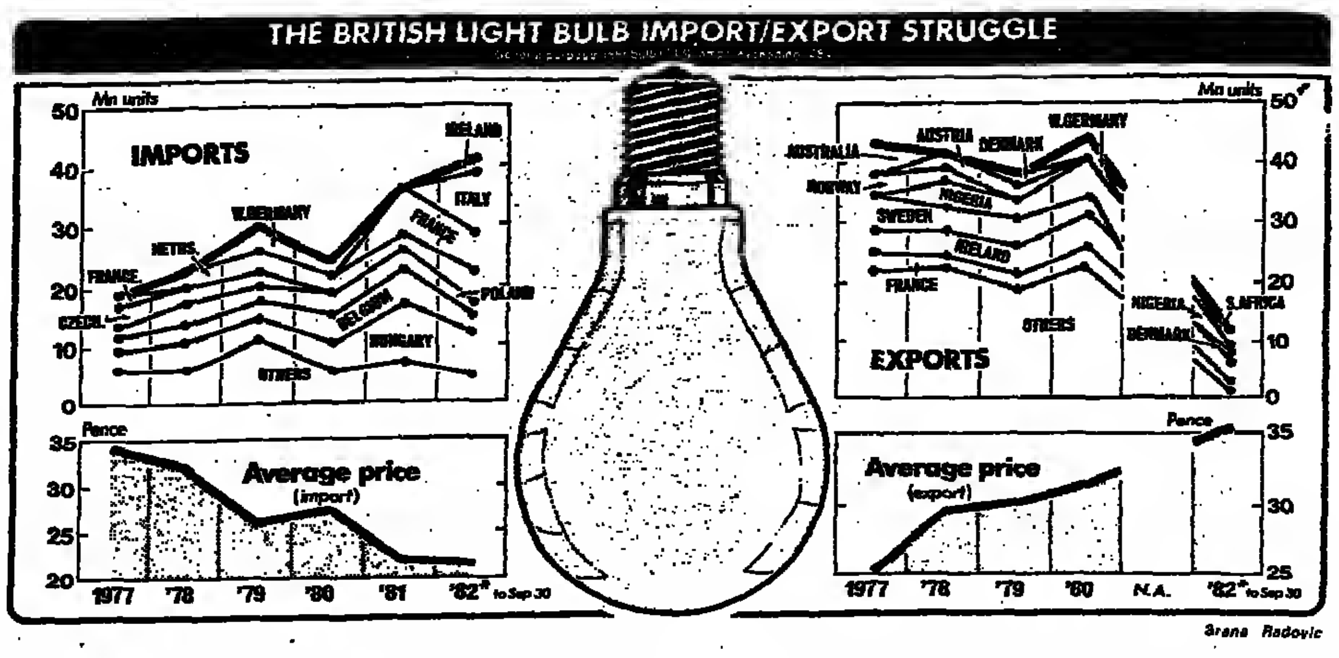
"Inevitably," says the Y and R report, "these developments will have repercussions on the European media market as a whole. Advertisers who are currently investing in non-broadcast media because of a *lack of commercial airtime* may well switch substantial sums into television once more airtime becomes available."

According to Mike Townsin, vice chairman of Young and Rubicam, the balance will be *shifted* much *further* when satellite television arrives. "The pressure from satellite and cable stations will, in my view, prompt a lot of governments to re-examine the amount and quality of their own TV programming and think again about liberalising commercial TV." Freer domestic commercial TV will be seen as preferable, he suspects, to uncontrollable satellite from foreign countries.

* *Available from Carl Byoir, 11o West Halkin Street, London SW1, £20*



Marion Sedgar



Brana Radovic

UK bulb makers out of their element

BRITISH industry has suffered another nasty shock: the latest official figures show the UK heading for its first peacetime trade deficit in *manufactured* goods for more than a hundred years.

Even now, letters of the "we warned you" variety are probably pouring into Whitehall from trade associations up and down the country to *join the fat* and dusty files of correspondence demanding import protection.

It is safe to assume that the first paragraph of those letters will talk about the recent overvaluation of sterling against European currencies. The second will talk about "dumping," *with* the name of the East European or Far Eastern culprit attached. But how much of Britain's failure to compete is really due to external pressures—or, as the Government would have it, domestic trade *union pressures? How* much is due to laggardly investment and poor selling?

Consider the case of one common-or-garden product which, it so happens, has just gone into the red on the trade account: light-bulbs.

Britain is now a net importer of light-bulbs. In the past six years, import penetration has climbed from about 8 per cent of the UK market to over 20 per cent. In 1977, over 18m bulbs were imported and over 43m exported, giving a balance of £4.6m in Britain's favour. By the end of this year imports could be 55m, exports under 25m, and the deficit likewise £4.6m.

At the same *time the average* import price of a bulb has dropped from nearly 35p to nearly 22p. Export prices have risen from 25p to 35p.

The bare deficit on light-bulbs is small beer in the national balance of payments, and the gap between imports and exports is still small relative to the total UK *market* of about 250m bulbs. But it is extremely worrying for the people who make light-bulbs.

The organisation which lobbies for the British light-bulb makers is the Lighting Industry Federation, housed in smart neo-classical offices in Edwardian Balham. This club—as it is called by outsiders—has been badgering the British Government and the EEC Commission for years to put a stop to what it considers unfair competition. Now it says: "We told you so."

The Federation's Number One enemy, at least in *speeches* and in the columns of its trade paper, is Eastern Europe.

Yet even a cursory glance at the latest import statistics shows that Eastern Europe, properly defined, is not the problem at *all. Hungary is still* a big supplier, but Poland and Czechoslovakia, the alleged culprits for "political pricing" appear to be fading. Today the real threat is from Italy, France and the Netherlands, with Ireland coming up *rapidly.*

The first reason advanced for the importers' success is price — and it certainly looks as though in the depressed UK market, prices of light bulbs have fallen to the point *where* some *people* are not making much money out of them.

On top of that is the fact that light bulb manufacture has become a multinational industry. Companies like Philips *are able to switch production* around their European plants to take advantage of currency movements.

Thus Osram of Germany (distinct from Osram-GEC of the UK), Philips of the Netherlands and *ITT of the U.S. all have* plants in Italy from which they can draw. Thorn of the UK manufactures there too but says it imports only for re-export from the UK. The major proportion of French imports *appears to come from* the Osram GmbH plant near Strasbourg.

The Hungarian imports, which cause so much distress to everybody, are mainly from United Incandescent Lamp and Electric of Budapest, a company *established* 87 *years ago* and better known as Tungsram. This is the company that has the major share of a factory in Little Island, Cork, which started up this summer. Tungsram is not a fly-by-night *operation. It claims 5 per cent of* the U.S. market with a joint venture plant in New Jersey.

Even if Tungsram's own protestations about its sensitivity to political pressures and its concern for market orderliness *are ignored, the Irish* subsidiary makes an implausible scapegoat. Established in the EEC for obvious reasons, Tungsram gets 70 per cent of its componentry from Britain and faces Ireland's high inflation and rising labour *costs. It* exported 2.2m bulbs to the UK at an average price of 12.3p in July, August and September, and is heading for 10m a year. That suggests that direct exports from Hungary will fall off as Ireland picks up. Far from undercutting the competition, Tungsram is now complaining that in some cases the German Osram bulbs have been sold in the shops for less than the landed price of Hungarian bulbs.

Price is not the whole answer. Indeed, according to one of the more *aggressive new importers,* the Ring group of Leeds, it is not the answer at all. Ring's lighting division, which claims to be selling at a rate of 14m bulbs a year, buys 60 per cent of its "Sungold" lamps from abroad at the same price it would pay in the UK. The reason it does not buy more in the UK it says, is that some British manufacturers will not sell to it.

If sterling continues its downward path, the British market recovers and prices with it, the wash of EEC imports may recede. The "East European" threat from the Irish Republic may also assume less menacing proportions. But if, with all external factors restored in the home manufacturer's favour the balance of trade in light-bulbs continues to glow red, the men in Balham will have to look elsewhere for culprits: in their *own backyard.*

Christian Tyler

THE ARTS

Cricotage/Riverside Studios

Rosalind Carne

What is the appeal of the work of Tadeusz Kantor? Primarily sensuous, I suspect. His characters cry to be touched, smoothed, stroked, even beaten, such is their limp but yearning passivity. A further title to this half-hour show is *Ou sont les Neiges d'antan*, a good indication that the *search for meanings is inadvisable.*

Fear, oppression, looming destruction, the ideas are there, but it is not the subject matter that captures our attention, rather it is the tiny details of the stage performances, the deliberate smoothing of a piece of cloth, a child's hands floating in space, the maniacal grin of a man attempting a simple, but apparently impossible action. What makes Kantor's characters compulsive viewing is the same force that urges them through their relentless routines, the human need for empty ritual.

On this occasion, spectators are banked on two sides of a long acting space. At one end sits a skeleton, draped in black, at the other end, on wheels, there stands a crazy machine, composed of the odds and ends of civilised life, a French horn, s funnel, a bucket, metal poles. Ksntor himself strolls about for the duration, uttering the occasional comment on the proceedings, which consist predominantly of wasteful expenditures of physical effort by the participants, men in crude white paper suits, and a woman dressed as a makeshift bride.

They yank a rope from end to end, as one man shouts orders. Another tries to roll a box along the floor without losing the wrapping paper. Another puts on the skeleton's clothes and is transformed into an Orthodox Jew. If religion is s step into mortality, it is particulsrly poignant thst this Rabbi should have a child pupil in tow. But I am straying into meanings, and it must be said they do intrude horribly, speaking of the illogicality and futility of all our actions.

These people sre benumbed and destroyed, faces blanched, movements careful and paranoid. They provoke something close to sadism in their helpless inadequacy, a sadism that receives its visual presentation in a stocky, helmeted figure, marching past, oblivious and cold.

The only splash of colour is the pair of cardinals, identical twins, dancing frantically to a recording of "Hernando's Hideaway." Bizsrre indeed, bleakly comic, but never other than unutterably pessimistic.

Alastair Muir

Scene from " Ou sont les neiges d'antan ? "

Thames play awards

Two special awards under the Thames Television Playwright Scheme give Hanif Kureishi and the Royal Court Theatre £1,000 each. The awards are for *Borderline*, reckoned to be the best play and the best production written and produced under the scheme in 1981-82.

The Thames sponsorship gives financial aid to young playwrights to enable them to work at a theatre for a year.

Laureen Potter and Chris Bannerman in "Second Turning."

Second Turning/Sadler's Wells

Clement Crisp

The third and final programme by London Contemporary Dance Theatre on Tuesday covered in its creative span almost the entire history of the company, and showed how vital is the troupe that Robert Cohan has guided. Two Cohan pieces—*Stabat Mater* and *Cell*—are the vastly different poles of the evening, with between them two works newly made by members of the company.

Christopher Bannerman's *Second Turning* is set to three piano duets by György Ligeti (excellently played by Eleanor Alberga and Alan Gravill), their distinctive sonorities sensitively matched by the danced action. The choreographer is a central figure whose interaction with the eight other members of the cast—all dressed in unisex style with white jodhpurs, white vests—suggests a certain autobiographical element. But whatever the theme, and it is not immediately clear, its realisation is in a controlled and musically responsive language makes for persuasive viewing. Turning movements which extend into sideways stepping; athletic leaps; a wiry and quickly accented solo for Darshan Bhuller; surround Mr Bannerman.

Gestural and danced images emerge and are re-worked, well judged as response to the note clusters and shifting dynamics of the score.

Tom Jobe's *Liquid Assets* is altogether lighter in mood, the portrait of a day from getting up—Mr Jobe s reluctant riser—to the bright prowess of his cast as they bounce through their daily routine to the glittering and nervously pounding player-piano blues of Conlon Nancarrow.

Stabat Mater, with Kate Harrison who in 1975 created the central role in this portrait of the grieving Virgin now more mature and even more expressive of sorrow, has the virtues of clear Grahamesque language and uncluttered simplicity of outline. It is strongly danced by its cast of nine women, and for all the implicit drama of its contemplation of the Mother's despair at the foot of the Cross, it has a touching serenity.

Nothing serene, though, in *Cell*, which dates from 1969, and retains all its claustrophobic force as a portrait of six people imprisoned in their own terrors. It was given a taut performance on Tuesday, with Patrick Harding-Irmer a stunning exponent — physically and emotionally — of the disintegration of the central man's personality.

Like so much else in the LCDT repertory, it is designed and lit with exemplary distinction and simplicity: would that our other dance and ballet companies could learn from LCDT's example.

Tippett/Barbican Hall

Andrew Clements

"A Tribute from his Friends" was the title of Tuesday's programme in the Barbican's Tippett festival. The friends involved were the Lindsay Quartet and Robert Tear. Julian Bream should have taken part but was obliged to withdraw; the evening lost the *Songs for Achilles* and Britten's *Nocturnal* as a consequence, and gained Beethoven's *An die ferne Geliebte* song cycle, for which Mr Tear was joined by Philip Ledger.

The concert thus became another of those Tippett/Beethoven confrontations so beloved of concert planners and, one suspects, of Tippett himself. The Lindsay provided Tippett's second quartet and Beethoven's F minor Op. 95; Mr Tear also sang the cantata *Boyhood's End*. But for a fond celebration it was a subdued affair, though that had more to do with the hall than with the quality of the music-making. The Barbican Hall's dimensions can have a curious, distancing effect on chamber music; I have noticed it in less distinguished performances than the Lindsay's, but here serious damage done to the intricate polyphony of the Tippett quartet. The result was thin and etiolated even in the finale, which was quite without the muscularity that this group habitually gives to the music.

Where he had tended to chop *An die ferne Geliebte* into short-breathed phrases, Mr Tear also found problems in the pacing of Tippett's setting of W. H. Hudson. *Boyhood's End* is one of his most original works in its attempts to impose Purcellian coloratura with a prose text; only Peter Pears (for whom the work was written) has managed the flexibility of phrasing to negotiate the more awkward corners. In declamation the present version was stirring, and that quality ended the cantata on an upbeat, but the moments that are so prescient of later Tippett were considerably less convincing.

Sylvia Rosenberg/Wigmore Hall

Dominic Gill

Miss Rosenberg is no stranger to London, or to England: although she has by now moved back to New York, the city of her birth, her sound is still a familiar presence.

It is a big, rich, well-vibratoed violin sound, in which the occasional squelch of intonation (commonly a vigorous push sharp) goes easily unnoticed. At her richest she is a little like Norbert Brainin on an emotional day: her lushest G-string mixtures are laced with double cream.

There is a particular taste for playing, especially violin playing, as unrelentingly full-blown as Miss Rosenberg's, whose every note is invested with the intensity of a central climax, that I do not really share. But for all that, she is undoubtedly many serious people's kind of violinist.

The work in her recital programme on Tuesday which adapted itself most gratifying (or perhaps was itself most naturally adapted) to the manner was William Walton's violin sonata of 1950: music of much high lyrical swooning, much rhetorical declamation, and many sighing suspensions. It is a manner which also served to infuse unusual vitality and high humour into Hindemith's op. 31 sonata, reaching for parts (and sometimes grasping them) that other violinists frequently fail to reach. The dry conciseness of Stravinsky's *Suite Italienne*, on the other hand, and the lyrical ardour of Brahm's G major sonata, were more often overwhelmed. Clifford Benson's piano accompaniments, always precise, colourful and forthright, never diffident, were a constant delight.

Shakespeare in Parma

Michael Coveney reviews an exciting Shakespeare performance by an Italian theatre collective

"Project" is not the happiest of nouns in English. It sounds worthy, dull. It is redolent of half-hearted enthusiasm in free periods at school. As if that were not enough, the project in Parma, Italy, is the work of a theatre collective, another term guaranteed to send shivers of resistance down the spine.

However, from four o'clock last Saturday afternoon until just past one the following morning, I experienced one of the most exciting days I have spent in the theatre for a very long time. We had three plays, *Hamlet*, *Macbeth* and *Henry IV* (a conflation of both parts) performed by nine actors, several of whom have been together for 15 years. Saturday marked the 11th anniversary of the Colletivo. The two tragedies were given on an end stage, one of three auditoria in the splendid complex, Teatro Due. *Henry IV*, which alerted me to the quality of this group when I saw it at the Holland Festival in June, was presented on the floor of a large, dark room with the audience seated on three sides.

One of the great things about Shakespeare performed seriously and inventively in foreign languages is the liberation of Bardic mythology from our own traditions and expectations. Everyone has an idea of Hamlet, for instance, that is at least as potent as the fact of Hamlet. *Macbeth* is a play of superstition and atmosphere that quite supersedes the hard evidence of the English text. And *Henry IV* deals in issues of political choice that reverberate beyond the terms Shakespeare defines. The whole point of theatrical performance is, in a way, that of critical interpretation, not reverential reproduction of a poetic package.

One states the obvious because the obvious always needs stating. I never feel personally damaged when liberties are taken with Shakespeare; why should I? I can always sit at home with the text. But ideas about Shakespeare are always welcome. In *Hamlet*, the Collettivo's Elsinore is a riotous backstage area of properties, funny noses and savage outbursts. It is almost Beckettian, the action manipulated by Yorick, an all-seeing blind Horatio (first seen tapping his way through the audience asking for money) who is like Pozzo in decline, and a collaborationist Claudius.

The stage is littered with costumes, bits and pieces, a mirror, a bowl of water. The acting style is direct, accomplished and remarkably relaxed. The Collettivo has no director: I dread to think what this information would do to somebody who, on seeing the work, would throw up his hands in horror at the excesses of modern directors. There is no weak link in any aspect of the performance. It seems to me to be much more impressive than the Marowitz experiments, more impassioned, more emotionally strong.

The Player's speech is re-written as a catalogue of political heroism all over the world. Thus "drama" reflects political reality more truly than does Hamlet's dilemma. Hamlet sees this, and Roberto Abbati releases a great cry of anguish. He has heard about Havana, Czechoslovakia, Hungary, Poland. "What's he to Hecuba?", rather cheekily, becomes "What about Cuba?" This is a wonderful moment, perceptive and hilarious. "Essere, non essere," on the other hand, bores the players stiff.

As in *Hamlet*, the murder weapons in *Macbeth* are revolvers. The enclosed nightmare world of the Macbeths is conveyed by the idea of containing the action on a film set. The technicians are night's black agents, manipulating cameras around the stage with muttered resentments and doubling as guests at the feast, checking their armpits for unfriendly smells, their shoulders for dandruff before taking the social plunge.

This physical detail, relentlessly observed, is similar to the work of Pina Bausch. The Macbeths are trapped in a world of duvets, transistor radios, TV and pulp fiction (Macbeth is reading his own story in paperback as written by Simon Forman). The weather is foul, water thrown all over the stage. The horror of the murder of Macduff's family is brilliantly suggested by a brief interlude in which the technicians play with rubber toys. Macbeth's dagger is taken from the crotch of the masturbating Porter.

In other words, we have an irresistibly imaginative distillation of the play that does full justice to the themes and ideas of the play. It is theatre as criticism maybe, but also full-blooded theatre in its own right. The role of a king is symbolised by a chair that is hacked to pieces and then laboriously taped together at the end if all amounts to one of the most thrilling, weird and hypnotic Shakespeare productions I have ever seen.

Henry IV shows how the Collettivo has developed its physical style, using space, music and ensemble techniques to shattering effect. The political scenes are staged in brutalist Oriental fashion, the Eastcheap scenes as brooding, dead of night interludes where leather-jacketed tearaways plan the Gadshill escapade as a motorbike rumble and Doll Tearsheet is a silent, abused alter ego of a strikingly exotic, bald Prince Hal. Prokofiev's *Romeo and Juliet* provides a strident *motif* for the magnificently attired King Henry, while the tavern is a place of rock 'n roll, "As Time Goes By." The Falstaff of Gigi Dall'Aglio is a contemporary of Hal, thus establishing for this generation the importance of deciding on pragmatic participation as opposed to irresponsible hedonism.

I hope we might see this outstanding company in Britain one day. They show considerable intellectual muscle and offer ravishing visual statement. They acknowledge the complexity of Shakespeare and, at the same time, go straight for the jugular on issues in the plays that recommend themselves to the contemporary sensibility. Their project is a stunning triumph and one that exposes as half-cock and uncommitted much of what passes for fresh and exciting in our own major companies. They are a credit to Parma, a credit to Shakespeare and a wonderful advertisement for the values of serious ensemble theatre work.

South Pacific/Haymarket, Leicester

Michael Coveney

Whatever image or memory of *South Pacific* is buried on the collective public retina, this refreshing revival directed by Robin Lefevre and designed by Clive Lavagna is certain to challenge it. Songs like "Some Enchanted Evening" and "This Nearly was Mine," both written in operatic vein, have become the currency of TV specials and the concert platform of the past 30 years. And Joshua Logan's film, with its lush coloration and ebullient charm, is for me at least an unfortunate hindrance when contemplating the musical.

The great appeal of the show in Leicester is primarily its classical purity of presentation, its ingenious simplicity of visual composition, and its irresistible power as a romantic melodrama. Rodgers and Hammerstein juggle several interlocking themes: the romance of the French planter Emile de Becque and the optimistically cockeyed nurse from Little Rock, Nellie Forbush; the campaign in the South Pacific that hinges on an act of heroism behind the Japanese lines; the collision of two worlds of commerce, those of grass skirts and shrunken skulls, and of the industry on the plantation; and also, less interestingly in these post-MASH days, the joshing of officers by a gang of marine waiting around for the action to start.

All of these tensions are superbly contained in Mr Lavagna's design of reclining coconut trees, slatted cane vistas through which the smoke and lights of Bali Ha'i beckon the American forces, and neat bamboo constructions that drift on and off with meticulous precision to evoke office interiors, the beach shower where Nellie washes that man right out of her hair, and the small town thoroughfare where bargains are struck and friendships cemented.

The production does not falter when confronted with Nellie's unpalatable rejection of Emile on discovering he has formerly been married to a Polynesian. This lends real suspense to the Philadelphia lieutenant's (James Earl Adair) explanation of racial prejudice engendered out in the sticks and gives substance to Nellie's transformation.

Nor does Mr Lefevre miss any opportunity to open out the show, most notably at the Thanksgiving Follies where Nellie and Luther Billis (delightfully played by Johnny Wade) lead the troops in a cunningly costumed cabaret.

Sheila Brand's Nellie is very well acted, getting clean away from Mary Martin's tomboyishness and finding a vulnerable quality in the role. Richard Owens has the right sort of broad baritone for Emile, although he acts a little stiffly to start with. The most subtle musical contribution, though, comes from Earlene Bentley as Bloody Mary, the hypnotic purveyor of Bali Ha'i's charm for foreign consumption. Her second big number, "Happy Talk," is a model of controlled interpretation, tactfully staged above her daughter's Balinese dance with the doomed lieutenant.

The excellent lighting is by Chris Ellis, the musical direction, which could do with a little tightening up in the string section, by Ian Smith.

'Peter Pan' gala

A royal gala performance of *Peter Pan*, by the Royal Shakespeare Company, in the presence of the Queen, will take place at the Barbican Theatre on December 15. The proceeds will go to the Great Ormond Street Hospital for sick children, to which J. M. Barrie bequested the royalties of his play.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Nov. 26 – Dec. 2

Exhibitions

NEW YORK

Whitney Museum: The definitive retrospective of American painter Milton Avery goes on view with 120 paintings and works on paper going back to the artist's figurative roots in the 1930s. Ends Dec 5. (570 3676)

Metropolitan Museum of Art: The Search For Alexander arrives at its final destination before being returned to Greece with its display of 180 works of Greek art from the 4th to the 2nd centuries B.C. Ends Jan 3. (535 7100)

Guggenheim Museum: Selections from Peggy Guggenheim's Venice collection will be displayed for the first time in New York, including works by Braque, Chagall, de Chirico, Picasso, Mondrian and Duchamp. Ends March 13. A retrospective of Yves Klein includes 100 paintings and sculptures and personal letters and photos. Ends Jan 9. (860 1300)

WASHINGTON

Phillips Gallery: The Late Paintings 1940-1963, including collages by the originator of this art form, Georges Braque, commemorate the 100th anniversary of the artist birth. Ends Dec 12. (387 0961).

National Gallery: For the 300th anniversary of his death, Claude Lorrain is given a comprehensive show featuring the landscape artist's paintings, etchings, and drawings. Ends Jan 2. George Bellow's paintings of boxing and prize fights comprise an exhibit for the artist's 100th anniversary. Ends Jan 2. Sixteenth century Italian maiolica from the Widener and Arthur M. Sackler collections is shown in its various forms as tin-glazed earthenware decoration for ceremonial objects as well as functional dishes, plates and pharmacy jars. Ends Jan 2. (737 4215).

Hirshhorn Museum: Sculpture, paintings, and drawings by David Smith make up the most comprehensive survey of his prolific work. Ends Jan 2. (357 2700).

CHICAGO

Museum of Contemporary Art: The first American retrospective of Polish sculptress Magdalena Abakanowicz features her fibre installations. Ends Jan 2. (280 2660).

LONDON

National Portrait Gallery: The Imperial Tobacco Portrait Award is one of the most imaginative examples of sponsorship of the visual arts in recent years. The prize is £6,000, with a further £1,000 for a commissioned portrait from the winner, for a recent portrait by any painter under 40. This year the winner is Humphrey Ocean, a sometime defector to pop music, specifically to Ian Dury and the Blockheads, but always an artist. His winning painting, and those of another 51 finalists make up the exhibition. Ends Jan 23.

PARIS

Jean-Baptiste Oudry (1686–1755). The Grand Palais is presenting a retrospective of an artist too long considered only as painter of royal bunting scenes and portraitist of the king's dogs. It shows the surprising variety of his landscapes, the mastery of his drawings and the originality of his designs for Gobelin tapestries. Grand Palais. Ends Jan 3, closed Tue (261 5410).

Ireland's Art Treasures: Dublin's National Museum has loaned 91 of its most precious possessions from a sculptured stone dating from 3000 B.C. to the Ardagh Calice, the Tara Brooch and Brian Boru's harp testifying to the originality and exquisite workmanship of Irish art through the ages. Grand Palais, Closed Tue. Ends Jan 17.

ITALY

Rome, Campodiglio: Art Treasures from the Kremlin. Ends Jan 1.

Rome, Campidoglio: An exhibition of 12 paintings and six drawings by Andy Warhol inspired by de Chirico. Ends Jan 31.

Rome, Museo del Risorgimento, Piazza Venezia: Garibaldi: Art and history. Ends Dec 31.

Milan, Museo di Milano, Via Sant Andrea 6: Jewellery and an ivory doll found in 1889 in the tomb of a Roman girl who lived in the second century A.D. The 23cm high doll is the world's oldest doll. Ends Dec 31.

Milan, Rotonda Besana. Modigliani drawings from public and private collections. Ends Dec 12.

Florence, *Uffizi Gallery:* Renaissance drawings from Perugino to Raffaello; 20th Century Self Portraits. Both end Dec 31.

WEST GERMANY

Berlin, Nationalgalerie, Potsdamer Strasse: 31 artists – among them Joseph Beuys, Klaus Rinke and Wolf Vostell – create environments, sculptures and installations on the spot. Ends Dec 5.

Berlin, Martin-Gropius-Bau, 110 Stresemannstraße: International trends in contemporary art are represented through about 50 artists. Their 250 paintings, sculptures and environments highlight the feeling, the consciousness and subconscious tendencies at the beginning of the 1980s. Ends Jan 16.

Cologne, Kunstverein: Josef Haubrich Hof: Sculpture, pictures, environments and photographs by 16 young prizewinners at recent contests staged by private sponsors of the arts. Ends Jan 9.

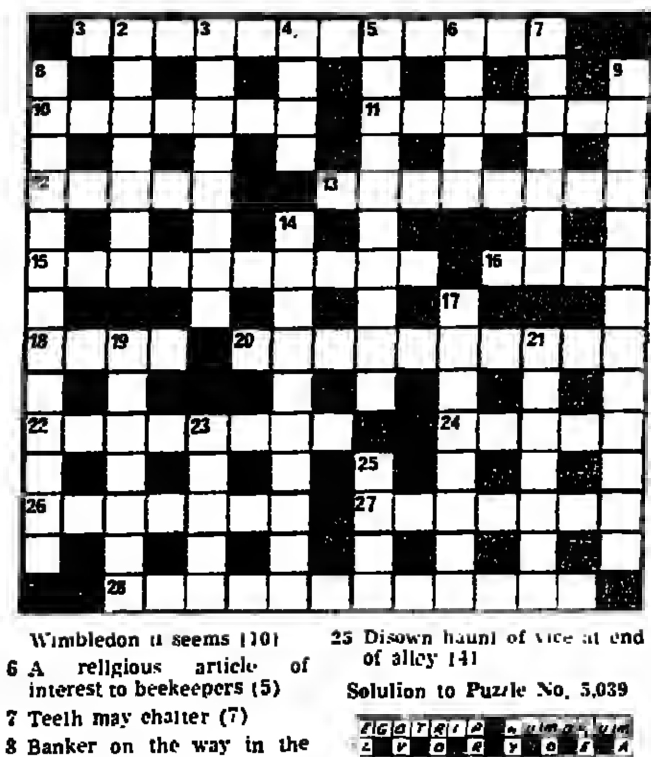
Münster, Kunstverein: Domplatz: 80 drawings by Mario Merz, the contemporary Italian artist, who incorporates material of any sort into his works. This time he used snails, stones, grass and twigs. Ends Dec 5.

Baden-Baden, Kunsthalle: Yves Tanguy. The American-French surrealist painter's first show in Europe contains 140 paintings and drawings. Ends Jan 6.

Stuttgart, Staatsgalerie, Konrad Adenauer Strasse: Late 16th and early 17th century Italian masterpieces reflect the beginnings of Baroque. Ends spring 1983.

Hamburg, Kunstverein, 1 Glockengiesserwall: More than 200 works by 13 contemporary East German artists offer a comprehensive survey of today's artistic scene in the other Germany. Ends Jan 9.

F.T. CROSSWORD PUZZLE No. 5,040



ACROSS

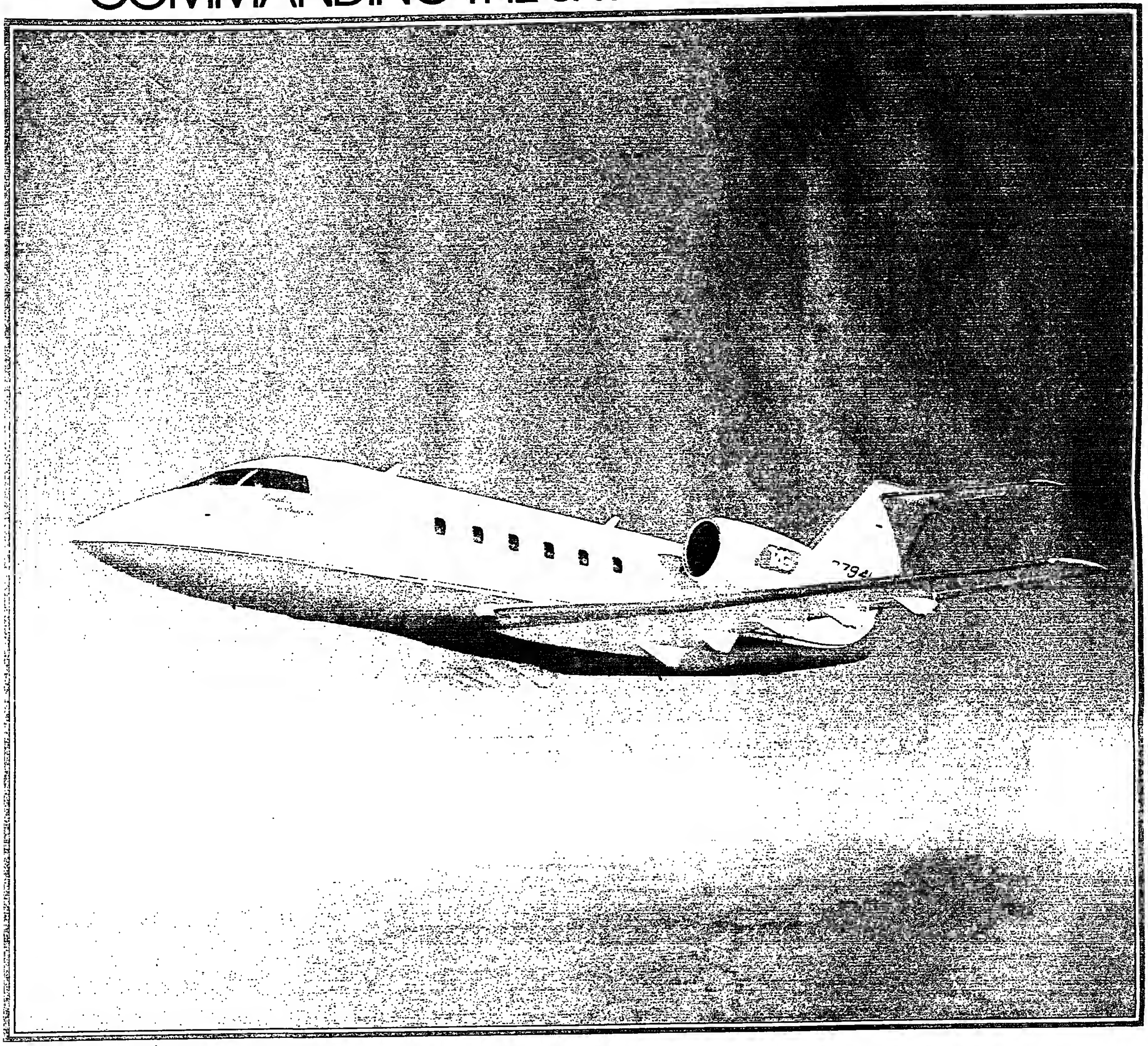
1 Past Reading I change to see Doubting Castle owner (5, 7)
10 The cause of most strikes it appears (7)
11 A tip for Barker (7)
12 Talk big having sulphur on board (5)
13 General meets actor in 9's, birthplace (8)
15 Again find colour is pretext (10)
16 Staunch, some past employees (4)
18 Satisfy second Goddess (4)
20 Bury iron for boy to have natural protein (10)
22 Use a sour mixture for Jean-Jacques (8)
24 . . . down the vast —— drear (Arnold) (5)
26 Peculiar repast—nothing but grass (7)
27 Confirm witch's place is extremely strange (7)
28 Might try so as to obtain cattle food (7-5)

DOWN

2 Angry country ? (7)
3 Certainly a family man (8)
4 Time of bewilderment so to speak (4)
5 Replaces top favourites at Wimbledon it seems (10)
6 A religious article of interest to beekeepers (5)
7 Teeth may chatter (7)
8 Banker on the way in the City (7, 6)
9 Liverpool was for a long time (5, 8)
14 Fair attraction (10)
17 One having conviction ? (8)
19 You may play this card without opening bet (7)
21 Looks at end of message (7)
23 Home Counties drink, a watery liquid (5)
25 Disown haunt of vice at end of alley (4)

Solution to Puzzle No. 5,039

COMMANDING THE SKY



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JOBS COLUMN

Eight guaranteed routes to the garbage bin

BY MICHAEL DIXON

IT IS pens—pens—pens—pens, not Rudyard Kipling's boots, that are movin' up an' down again these days. Recruitment consultants such as John Courtis are swamped by unsolicited inquiries about jobs, mostly from managers and senior specialists who are out of work.

Alas, despite the effort the writers obviously put into their letters, the bulk succeed only in being their own worst enemy. While he'd like to help wherever possible, Mr Courtis says, most of the correspondents disqualify themselves long before he has read through to the signature.

Being a methodical chap, he has calculated that the writers employ eight main ways of putting him off, of which the average unsolicited application exhibits rather more than four.

His first objection is to letters which conform to the house style of one or other of the agencies purporting to improve jobless executives' prospects of re-employment.

As it happens, I also have a misgiving about those agencies' styles. It is that, perhaps because they have scruples about being publicly associated with anything as common as redundancy, they seem to have stopped calling themselves redundancy counsellors. Instead, they use the term outplacement consultants which—since all it can mean is *that they offer advice on the condition of placing or being placed out*—is merely a more gobbledegook way of saying the same thing.

Whether the added obscurity drums up extra custom, I don't know. But Mr Courtis is sure that the last way such agencies can help people who are out to get in again is by infecting them with an artificial style of presenting applications.

It simply stops him from gaining an impression of the writers' own styles, and so makes it harder for him to assess whether they might suit any of the kinds of job his company handles.

What gives the game away when someone is copying a house style, I asked. Is it stilted phrases such as: "Friends and business associates say that I have boundless energy allied to a strong motivation to achieve results. . .?"

"In some cases, yes," he replied. "But more often it's the layout."

His second objection is to writers who give no indication of salary.

"I'm not demanding to know precisely what they last earned. But I need some clue of what's in their mind. The last job-title's no help to me, because salaries for the same type of post vary from, say, £15,000 to £25,000 in different circumstances. And nowadays a difference of only £3,000 to £4,000 can decide whether someone's acceptable or not."

The next bugbear is people who, despite having asked that their inquiry be treated confidentially, avoid naming their recent employers.

"Either they trust us to respect their confidence, or they don't. That kind of coyness is still worse when, as is often the case with accountants for instance, their employers have appeared alongside their name in their professional institute's list. In that case, the letter communicates stupidity as well as mistrust."

Another objection is to people who state that their aim in writing is to move out of a departmental specialisation into general management with another company.

"If they've bothered to observe how promotions are made even only in their own line of business, they should know that breaking into general management through a move to a new employer is impossible for someone who is out of a job. It's rarely possible in the best of circumstances.

"By making that their prime aim, they just rule out anything that might be going in their specialism. They'd do better to say they're seeking a broader job in their field with a view to general management later."

John Courtis also dislikes people who send what are obviously round robins to large numbers of recruitment consultants, when the writer's background is so specialised as to suit a far smaller number of employing organisations, which could be directly approached.

"There again they're expecting us to do their thinking for them, branding themselves as lazy and blockheaded."

He seethes even more at letters which declare baldly that the writers will telephone to fix a meeting to discuss their careers.

"It's infuriatingly insensitive to do that to selection consultants. They earn their living by filling vacancies for employers. It costs them money even to read most letters sent on spec. Anyone who expects personal career advice as well is just crying out to be told to take themself to an outplacement agency—and stay there."

The seventh objection is to people who send unsolicited applications directly even though their career details are also being circulated around selection consultancies by redundancy counsellors. When the left hand clearly does not know what the right one is doing, each nullifies the other's work.

As for the final offence, well . . . anyone who commits it is liable to receive from John Courtis the following standard reply:

"Last time you wrote to us, your early career record was a little patchy. It looks much better now, but I bitterly resent your assumption that we are too incompetent to check back."

Live wire

HEADHUNTER Geoffrey King has been asked by an international consultancy advising governments, financial institutions and other companies on strategic aspects of high technology to recruit someone able to advise clients on cable television.

Since he may not identify his client, he — like the other recruiter to be mentioned later —promises to abide by any applicant's request not to be named to the employer.

The essential qualification is demonstrably expert knowledge of the kinds of financial structures most suitable for businesses entering the cable TV field, the mix of technological expertise required, and the politics likely to be entailed in the granting of licences.

Salary indicator £25,000 upwards. Base is London.

Inquiries to Mr King at Cambridge Recruitment Consultants, 1a Rose Crescent, Cambridge CB2 3LL; telephone 0223 311316.

Senior pair

TWO SENIOR people are sought by recruiter John Sanders of PMC Management services (5-7 East Parade, Harrogate, North Yorkshire HG1 5LF: tel 0423 69961, telex PMC G 57786).

The first is a highly skilled and experienced finance director for a challenging job with a group based in north England. The newcomer will be responsible not only for all financial management with the emphasis on funding and complex management accounting, but for administration generally.

Salary £30,000. Perks include Jaguar (car).

The second is a deputy chief executive in Saudi Arabia with a multi-national joint venture whose managing director spends 70 per cent of his time away from headquarters.

Main duties are development and financing of services to construction and civil engineering concerns and ensuring that contracts make profits.

Salary about £30,000 clear of tax. Free transport and married-status accommodation among perks.

STERLING DEALER **Salary £15/£20,000**

A challenging opportunity has arisen with an established international bank, to take full responsibility for their sterling-dealing. The successful candidate will have several years banking experience covering, interbank, CD's, bills, locals etc. This is a new post open to those looking for a career move and capable of developing a thriving sterling book. Age 27/37

Please contact: David Little

MARKETING—SALES AID SCHEMES **Salary £15,000 + Car**

A major leasing company based in North London, specialising in manufacturers sales aid schemes, currently seeks a new sales/marketing team. Candidates ideally aged in the 25-30 years range, must have several years experience of negotiating and setting up of vendor sales aid packages, and 'educating' manufacturers salesmen etc

CREDIT ANALYSIS **Salary £12,000**

We currently have several vacancies for candidates with risk analysis, documentation, and computerised lease evaluation skills, gained within banking, or the specialised leasing division of a major finance company

Please contact: Brian Gooch

Jonathan Wren BANK RECRUITMENT CONSULTANTS

170 Bishopsgate · London EC2M 4LX · 01 623 1266

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Chief Executive

National Multiple Retailing Chain

from £50,000

A national multiple retailing chain requires a Chief Executive to accept responsibility for all aspects of its operations.

Candidates will be aged between 38 and 50 with a sound track record in the retail trade.

A well developed sense of business acumen and excellent leadership qualities are regarded as essential personal attributes.

A salary of not less than £50,000 plus executive benefits is contemplated.

Please write in confidence to George Cross, quoting reference 1133/FT on both envelope and letter.

Deloitte Haskins+Sells

Management Consultants

128 Queen Victoria Street, London EC4P 4JX

Assistant Treasurer

Graduate/accountant/MBA • Middle/late 20s

Promotion has created this opportunity to influence the financial strategy and planning and manage the cash resources of a very large British group which is totally international in operations and outlook.

The appointment is as No. 2 to the Group Treasurer in a department whose scope is comprehensive and whose activities are strongly profit-oriented. Career advancement is there to be earned.

Candidates, male or female, must be graduates or qualified accountants, possibly also MBA. Whether from manufacturing industry, commerce or financial/professional services, they must have demonstrated practical financial grasp, ability to master new techniques and readiness to take initiatives and decisions. Treasury experience, whilst helpful, is not essential.

Salary negotiable from £12,500 to £15,000, depending on experience, plus company car, relocation help to Manchester area.

Please send career details—in confidence—to D. A. Ravenscroft, Bull, Holmes (Management) Ltd., 20 Albert Square, Manchester M2 5PE.

Bull Holmes PERSONNEL ADVISERS

University of Surrey

Mullens Chair in Financial Management

Applications are invited for this newly established Chair to be held on a part-lima basis.

Tha University of Surrey, through the ganerosity of a number of City institutions, is able to endow a new Chair in Financial Management, tanable in the Department of Economics. The Chair is to be named after Sir William Mullens in remambiance of his services both to the City and to the University of Surrey.

Candidatas should have experience of teaching business finance, a practical experience of financial management, and substantial publications in the field.

Salary will ba about one third of that paid within the professorial range which averages £19405. The starting date for the post will be on a mutually agreeable date during the summer of 1983.

Further particulars may be obtained by telephoning Guildford 571281, extension. 633. Applications in tha form of a curriculum vitae including the names and addresses of three academic referees should be sent to the Academic Registrar (LFG), University of Surrey, Guildford. Surrey GU2 5XH, by 7th January 1983 quoting reference 106/FT.

INVESTMENT CONSULTANTS

£20,000 to £35,000

Director for Continental Europe
Director of United Kingdom
Both London Based

Our client is a major US pension investment consulting firm who, through professionalism, has gained a first class reputation and an impressive and substantial clientele of household names in America. They have established a successful international division based in London and seeks two individuals of the highest calibre to play key roles in its further development in continental Europe and the UK.

Working closely with the International Managing Director and the UK Director, and with full support from the US parent, the positions will involve:

- appraising the pension fund industries in the UK, Switzerland, Belgium, the Netherlands and Germany;
- interviewing and assessing the abilities of investment managers in the UK and Europe, and measuring their results;
- consulting with clients on the investment of their UK and European pension assets.

The prime areas of consulting are: investment strategy planning, evaluation and selection of investment managers, performance measurement and portfolio analysis.

The successful persons will be graduates aged 27 to 45 having sound investment experience. Demonstrated ability to communicate with clients is essential. Fluency in one or more continental European languages is necessary for the European position.

These opportunities will appeal to energetic individuals who now wish to make major contributions to a highly successful company.

Please contact F. J. Stephens who is advisor to the company and will treat all enquiries in the strictest of confidence.

Stephens Associates

International Recruitment Consultants

44 Carter Lane, London EC4V 5BX. 01-236 7307

Lawyer International Banking

We wish to appoint an additional Solicitor or Barrister to join our Legal Adviser in the provision of advice to all levels of management on legal aspects of the Bank's activities.

You should have between 3-5 years' commercial experience since admission, including specific knowledge of banking law and finance gained preferably within the City. The person appointed should want to extend his or her experience in a challenging and increasingly complex international business environment.

The position is based in London, and offers an attractive salary with an excellent range of benefits.

Please apply in writing, enclosing full career details, to Alison Emery, Group Personnel Officer, Citibank N.A., Citibank House, 336 Strand, London WC2R 1HB.

CITIBANK

Financial Adviser

Saudi Arabia

A Seudi Arabian Group mainly involvad in the Electrical and Mechanical fields requires a FINANCIAL ADVISER early in 1983, who will be responsibla direct to the Chairman for advising on all aspects of finance end for monitoring operating performance. The group consists of manufacturing, trading and contracting companies and the Financial Adviser will be required to provida regular analysis of the financial and trading positions, to devise managamant information systems, to project future financial undertakings and to control investmant strategy.

CANDIDATES should hava at least ten years experience of financial and managament accounting. Experience in a commercial organisation is essential and overseas experiance in the Arebian Gulf would also be an asset.

SALARY will be in the ragion of £20,000 per annum, free of local income tax. The initial contract will be for two years, renewabla. Benefits includa bachelor or marriad accommodation, company car, paid traval and medical insurance.

Interviews in London aarly January.

Please apply, with brief curriculum vitae to: Mr. F. J. Smith, Gabbitas-Thring Services Ltd.; 6, 7 & 8 Sackville Street, Piccadilly, London W1X 2BR. Tel: 01-734 0161.

Leasing Recruitment Specialists

LEASING EXECUTIVES to £20,000 plus car

Our client, a major international leasing company, is expanding its operations in the UK and seeks experienced New Business Executives for **London, Birmingham and Manchester.**

These are excellent 'ground floor' opportunities for Sales Executives to specialise in providing **Vendor Sales Aid programmes** to major manufacturers of office equipment etc.

An attractive remuneration package consisting of a **five figure basic salary plus commission and bonus** schemes will provide successful candidates with potential earnings of £20,000+ for on target performance.

Applications are invited from **Senior Representatives** aged 25-35 with a sound track record in equipment leasing gained with either a major finance or leasing company. Consideration will also be given to Sales Executives with similar experience gained with a computer or office equipment manufacturer

Please telephone Leslie M. Squires, FInstSMM, on 01-588 6644 up to 7 pm, or write to him in the strictest confidence.

Ash Management Selection
85 London Wall, London EC2M 7AE

ASH MANAGEMENT SELECTION

Scrimgeour, Kemp-Gee & Co

are seeking a

PRIVATE CLIENT EXECUTIVE

Apart from having a good educational background and being literate and articulate the successful candidate will have had several years experience of managing portfolios with the minimum of supervision.

This is an opportunity to join a rapidly expanding department with excellent career prospects and the remuneration including a profit-sharing scheme and contributory pension will be fully competitive.

Please write in confidence to
W J. Murden, Scrimgeour, Kemp-Gee & Co.
20 Copthall Avenue, London, EC2R 7JS

Laing & Cruickshank

(Incorporating McANALLY, MONTGOMERY & CO)

BANK DEPARTMENT

An opportunity has arisen for an ambitious person, aged 22 to 28, to join the Bank Enquiries Team within the Private Client Department of Laing & Cruickshank.

The team handles the telephone and written investment enquiries from a considerable number of the High Street and Trust branches of the major banks throughout the country. The successful applicant will ideally have a minimum of two years' experience of providing investment services to private individuals and have passed, or currently be studying for, the Stock Exchange membership examinations.

If you wish to apply write to:

J L Rossiter
Laing & Cruickshank
The Stock Exchange, London EC2N 1HA

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A senior appointment in one of the world's most progressive international banks. Our client seeks a self-motivated dealing professional with at least 3 years' trading experience, the ability to develop existing business and make new markets. The negotiable salary is accompanied by an excellent package of benefits commensurate with the importance of this position.

DOCUMENTARY CREDITS: £ NEGOTIABLE

Our client, a major U.S. international bank, due to expansion, an urgent requirement for a senior banker with a thorough knowledge of documentary credit procedures including the technical aspects of complex credit negotiations. Supervisory experience within the field is also essential as the successful candidate will be responsible for a medium sized department.

CORPORATE LENDING OFFICERS £ NEGOTIABLE

Several opportunities are currently available in this expanding City merchant bank for experienced lending officers, ideally educated to degree level with at least 2 years' 'sharp end' knowledge of corporate financing and new business development.

For further details please contact Lewis Marshall (General Manager)

41/42 London Wall, London EC2. Tel: 01-588 0781

Eurocurrency Lending

An international bank in the City is seeking a man or woman with sound experience of eurocurrency lending at a responsible level.

Sound basic knowledge of loan documentation and syndications is required together with a good knowledge of country risk analysis and credit review techniques. The age range envisaged is 28-35, an A.I.B. or similar level qualification is desirable and an interest in business development will be assumed.

Commencing salary will be fully commensurate with the experience offered and other benefits are competitive, including profit sharing.

Applications will be treated in strict confidence. Please write stating age, qualifications and experience to Mr. E. Cotter.

GSR

Golley Slater Roe Limited

42 Drury Lane, London WC2B 5RN.

PROGRAMME ACCOUNTANT

The Welsh Fourth Channel (S4C) seeks a suitably qualified person to work to S4C's Financial Controller on the monitoring of budgets and expenditure on commissioned programmes.

The ideal candidate will have qualifications in accountancy or banking and finance. He/she will have had direcc experience of financial control and project management in industry or commerce (preferably including television or film) and will also have a knowledge of Welsh.

S4C recognises chat such a combinacion may not be readily available and wishes to hear from applicants possessing some of these attributes, for which an appropriate salary would be negociated. Consideration would also be given to appointing an applicant with excepcional expertise and experience for a limited concracc cerm.

Salary: c. £14,000. subjecc to experience and qualifications.

For further details please send for an application form, to be returned by December 18, to:

The Director's Secretary

Sianel 4 Cymru, Sophia Close, Cardiff CF1 9XY

WALES S4C CYMRU

Sianel Pedwar Cymru

AMERICAN STOCKBROKERS

A leading firm of American stockbrokers wishes to add to its successful institutional equity sales team. Applicants must have proven production with UK institutions in U.S. securities.

Please reply to:

Box A8107, Financial Times,
10 Cannon Street, London EC4P 4BY.

MARKETING OFFICER FOR INTERNATIONAL BANK IN THE CITY

London branch of major International Bank with large worldwide network seeks young energetic marketing officer. Responsibilities within a small and dynamic team for marketing large UK and international companies. Previous successful banking experience required. French an advantage.

Excellent career prospects in expanding international group.

Please write with full c.v. to:
Box A8111, Financial Times, 10 Cannon Street, EC4P 4BY

Accountancy Appointments

Chief Accountant

Northern Home Counties **c£19,000+car**

Our client is a £650m turnover Division of one of the world's largest groups and has a number of subsidiary Companies. The Companies within the Division are concerned with the manufacturing, marketing and distribution of food products including many brand leaders.

This is a senior management position reporting to the Financial Director of the Division, with the responsibility for the Division's financial reporting and taxation functions. The position demands man-management skills alongside high level technical and professional standards. Particular stress will be laid on the ability to analyse and report on a wide range of financial and technical issues.

There are excellent career opportunities in the group. Applicants in the age range of 28-35 must be Chartered Accountants, preferably with a degree and they should demonstrate excellent professional accounting experience.

Please send a comprehensive curriculum vitae to Nigel Hopkins, F.C.A. quoting ref. 856. Michael Page Partnership, 31 Southampton Row, London WC1B 5HY

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

Continental Operations – Finance Function

Financial Director

c.£22,000+car

Financial Planning Manager

c.£16,000+car

London base
Subsidiary of major British group

Continental operations comprise national companies in Belgium and Germany with a holding company in London. Established consumer brands are produced and marketed with sales exceeding £80m

The operating companies have a high level of autonomy. The role of the holding company is to direct, influence and inspire local management, monitoring results and identifying opportunities for increased performance. Based in the holding company, these positions work closely together, enabling local management to achieve target efficiency by effecting changes of concepts and procedure. In addition there will be considerable project work load, investment analysis and systems development.

Candidates for either position must be numerate graduates or qualified accountants with a relevant successful track record gained in a sophisticated profit-driven environment. Fluency in German is mandatory. Determination, the desire to influence business results and the strength of personality to achieve this are essential personal qualities, coupled with evidence of business achievement for the Director position. Age indicator is 35 for the Director and 30 for the Manager.

Please reply in confidence, giving concise career and personal details and quoting Ref. ER573/FT for the Director position or ER574/FT for the Manager position, to P.J. Williamson, Executive Selection

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

LLOYD'S UNDERWRITING AGENCY

Finance Director Designate

c£25,000

One of our rapidly expanding Lloyd's Underwriting Agency clients has a vacancy for a qualified accountant, preferably aged from 28 to 35, with good experience of Lloyd's Agencies and Syndicates, who it is hoped, will shortly assume the position of Finance Director.

The successful applicant is likely to take full responsibility in the meantime for the Company's administrative and accounting functions and practical experience of computer systems would be an advantage.

Applications with details of career to date, should be made to:

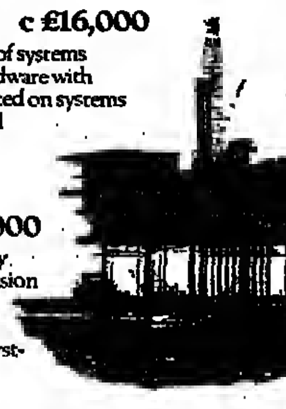
Anthony Blake
NEVILLE RUSSELL
30 Artillery Lane
LONDON E1 7LT

High Calibre Accounting and Finance Professionals

A Major New Development in International Oil

Our client is an international oil company establishing a new operation controlled from London. Consequently they seek to recruit high-calibre and experienced accounting financial and systems personnel for certain key areas within this new department.

Systems Development **c £16,000**
This is a role which gives significant overall responsibility for a wide range of systems evaluation, development and decision-taking. The company use IBM hardware with flexible additions and support. Age range is open with emphasis being placed on systems exposure and experience, accounting qualification and the personality and presence to initiate and implement changes and improvements with maximum co-operation.



Finance and Treasury **£13–16,000**
This role gives excellent exposure to finance management, foreign currency transactions and international statutory reporting. It will cover the supervision of six staff who produce and control the financial and cash management functions. This position is particularly suitable for a young ambitious Chartered Accountant, perhaps currently in the profession, who seeks a first-step move in an international environment.

Projects and Operations **£13–16,000**
This is a line-management position which demands a communicator with a positive approach and strong personality. It carries responsibility for a wide range of project/operational finance and accounting with the major task being the representation of the company's interests with Partners and overseas contracting, consequently oil/construction industry experience is desired. There is control and motivation of a small staff to ensure the establishment of a respected and important function serving project management.

Finance and Taxation **£12–15,000**
This is a particularly satisfying role including supervision of a small team and involvement in a wide range of taxation, finance advice and liaison work. This is an interesting role which includes substantial independent involvement with other oil companies, external advisors and statutory authorities. The company can offer excellent prospects outside this area as it gives a wide over-view of their activities.

Unusually for this industry, the scope of this development demands external recruitment and so gives rare opportunity to join a highly respected multinational group at a management level affording significant career progression. The company offer an excellent salary and benefits comensurate with an international organisation. Please write, in the first instance to Nigel Hopkins F.C.A., quoting ref. 857. Michael Page Partnership, 31 Southampton Row, London WC1B 5HY. Tel: 01-405-0442.

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester Glasgow

Group Control & Planning Executive

c. £12,000 + car etc.

An exciting and very successful private group of companies, manufacturing and marketing a wide range of office stationery and equipment, has reached a stage in its development when it needs to strengthen its top management team in the cost control and business planning function. With present turnover approaching £10 million, they are profitable and plan to continue to develop by growth and acquisition.

You will review and improve systems for tha control of sales and marketing, manufacturing and administration costs and monitor these on an on-going basis. You will analyse profit contribution by product divisions and individual products and also develop and monitor Group purchasing policies. An important aspect of the work will be the financial evaluation of new products, new market areas and the overall business operation.

Male or female you will probably be a qualified accountant in your 30's or early 40's. You will be able to apply experience in the above areas to play a full part in the development and control of the business. Appointments to subsidiary boards are envisaged in the short term and further progress will depend on achievement. *Location - Kent.*

Please send full career details to Alan Endicott,
Plumbley/Endicott & Associates Limited,
Management Selection Consultants,
Premier House, 150 Southampton Row,
LONDON WC1B 5AL.

ACCOUNTANTS

FINANCIAL CONTROLLER
£15K + car
High technology engineering mfg. ACMA c. 35 with similar background ideal. F.D. in 2-3 years on promotion of present incumbent. West of London.

TAX ACCOUNTANT
£14K
Major oil company. Central London. ATII essential. Good prospects for younger applicant.

CHIEF ACCOUNTANT
£11K + car
All day-to-day accounting duties. 25 staff. Presently S. London, relocating to Dorset. Board appt. within 2 years. Early 30s. ACA.

PERSONNEL SELECTION ASSOCIATES
Norfolk House, Pannells Court, Guildford (0483) 65353 — Michael Blanford

---

Financial Director

(Designate)

High Growth Potential

c£17,500+car
Reading

Formed only 18 months ago, this soundly financially backed car importer and distributor has already made a major impact on the British motor scene. A significant national Dealer network, trained to provide full after-sales services, has been established and is planned to double in size next year.

The company's new models, combined with attractive styling, competitive prices and unrivalled value for money, make their sales potential considerable and a fivefold increase in sales by 1985 is confidently predicted.

It is, of course, a tough market and requires the most stringent financial control. The company is therefore seeking a high calibre Controller to be responsible to the Chief Executive for the vital accounting and controllership functions.

Candidates must be Qualified Accountants, aged over 40, with several years experience in a demanding fast moving marketing environment where reliable and prompt management information is a critical requirement. Depth experience of computer based systems and a keenly tuned commercial awareness are also essential.

The company offers an attractive remuneration package and there are excellent prospects of an early Board appointment for someone who fits in well in the small top management team.

Please send concise personal, career and salary details, quoting Ref: 22001 to: W.S. Gilliland, Executive Selection Division.

tb

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Finance Director

designate

London *c.£17,000+car*

Chesterfield Properties plc a London based, successful and expanding property group with overseas interests wish to appoint a Finance Director - designate who is of sufficient calibre to justify a board appointment within a period of 2 years.

The appointee will report to the Managing Director and be responsible for all financial aspects of the group's business with special emphasis on further developing the group's accounting procedures, preparing periodic accounts and managing information and in particular, ensuring that the financial resources are properly planned and controlled.

Candidates aged 28 to 40 will be Chartered Accountants with a minimum of 5 years post qualifying experience, 2 of which should have been in a responsible finance function.

In addition to salary, benefits will include a car, pension fund arrangement plus 5 weeks holiday per annum. This is a distinctive opportunity for both personal and career development.

Please write in confidence quoting MCS/7093 and requesting a personal history form to Michael R Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Associates

TRETOL

PA TO THE TRETOL GROUP FINANCE DIRECTOR

The Tretol Group which manufactures and sells specialist paints, finishes, coatings, adhesives and insulation products for industry are looking for a PA to the Group Finance Director.

The position carries a starting salary of £15,000 p.a.

Applicants should be:

- Qualified Accountants with at least 4 years commercial or industrial experience.
- Aged around 28-35.
- Living in the approaches to NW London.
- Willing to spend some days away from home and holding a current driving licence.

Detailed applications in own handwriting to Robert Oakley, Tretol Limited, Tretol House, Edgware Road, London NW9 0HT.

ACCOUNTANCY APPOINTMENTS
APPEARS EVERY THURSDAY

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PER SINGLE COLUMN CENTIMETRE

Hoggett Bowers

Executive Selection Consultants
BIRMINGHAM CARDIFF GLASGOW LEEDS LONDON MANCHESTER NEWCASTLE and SHEFFIELD

Management Accountant

North East, negotiable to £10,500

We require a qualified accountant of outstanding ability, who will join the financial management team of this substantial manufacturing company. Reporting to the Financial Controller, the position carries responsibility for the financial management of an engineering division with turnover in excess of £10 million. Key tasks will be the preparation and interpretation of management accounts, the development and control of budgets and provision of financial advice to divisional management. Candidates, aged under 35, ideally qualified ACMA or ACCA, must have extensive management accounting experience, involving computerised systems, gained in a manufacturing environment. Comprehensive benefits and excellent career development prospects are offered.

A.D. Kelly, Ref: 44139/FT. Male or female candidates should forward immediately a comprehensive CV or telephone in confidence for a Personal History Form, 0632-327455, *4 Mosley Street,* NEWCASTLE-UPON-TYNE, *NE1 1DE.*

Accountancy Appointments

Group Chief Accountant

West End
c.£20,000 plus car & benefits

The Group, which is publicly quoted, is engaged in property investment, development and dealing with a particular emphasis on the redevelopment and letting of commercial properties. Its activities also include investment in securities and insurance broking. Total revenue is in excess of £15m per annum and Shareholders' funds are in excess of £230m.

This key position has arisen as a result of internal reorganisation. The person appointed will report to a Main Board Director and will be responsible for the total accounting function of the Group which comprises many subsidiary and associated companies. The accounting systems are being computerised.

To meet this challenge, applicants must be qualified accountants preferably aged between 30 and 50. Group accounting experience at a senior level is essential and experience within a property company would be desirable. Ability to communicate at Board level is necessary.

Please reply to George Cross, in strict confidence, with details of age, career and salary progression, education and qualifications, and quoting reference 1126/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Financial director

Southampton, c£22,000 + car

For a small but rapidly expanding autonomous subsidiary of a US parent, involved in marketing specialist fashion products. Reporting to a young entrepreneurial MD in the UK and with a strong functional link to the States, you will play a key role in contributing towards the profitable growth of the business both in the UK and Europe.

You must be a qualified accountant aged from 35, experienced in computer based financial and management accounting, budgeting, the treasury function and international trade. There will be some European travel.

Resumes including a daytime telephone number to R C Henry, Executive Selection Division. Ref. H002.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

A demanding role within the financial services sector . . .

BUSINESS ORIENTATED ACCOUNTANT

West Country — **c.£15,000+Profit Sharing +Car+Benefits**

Our client is a major publicly-quoted financial institution with an outstanding record of success. Its continued growth and controlled diversification has created the need for a young and highly talented accountant to join an innovative and creative management team.

The role, a particularly stimulating one, will involve playing a key part in the development of the more exciting aspects of management information and control. This is very much a leading edge function which requires the confidence to sell and implement original ideas. The role offers excellent career development opportunities.

Applicants should be qualified accountants aged up to 30 with a successful record demonstrating their ability to fulfil this role; experience gained within a firm of management consultants would be relevant.

The attractive benefits package includes a non-contributory pension scheme, fully expensed car and generous relocation expenses.

Written applications containing career details should be forwarded in confidence to **Richard Norman, F.C.A.**, *at our London address and* **should quote reference number 3834.**

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Thursday December 2 1982

Misdirected urgency

THE GOVERNING powers of the world monetary system are at last showing a sense of urgency in tackling the problem of international credit—a most refreshing change from the nervous lethargy displayed only two months ago in Toronto at the annual meeting of the International Monetary Fund. Thanks to a radical change in American attitudes to the Fund, a really substantial enlargement of its role is now nearing agreement.

The forthcoming meeting of the Group of Five—the "inner cabinet" of the financial world—which has been summoned on German initiative should settle the remaining questions about quotas and the U.S. proposal for a $25bn emergency fund. In January a meeting of the Interim Committee should set in motion the cumbersome machinery of ratification, to make the quota increase a reality by 1984.

Backing

This show of activity is all very impressive as far as it goes, but what is it for? If a commercial establishment is on fire, it is necessary to call out the fire brigade, but it is hardly enough to get production going again. Unless there is a reconstruction plan, the whole exercise is of more interest to the insurers than to management.

In the financing of world trade and growth, the commercial banks fill the insurance role, and the IMF can provide hastily-assembled reinsurance backing; but even if this is a total success, it can at best preserve a financial system which is visibly shaky, and ill-fitted to promote a revival. Indeed, a simple banking rescue might well make matters worse than they are.

Banks might be emboldened to go out and write more unsound business at excessive rates, in an effort to cover risks already incurred. In a floating-rate credit system this would put further intolerable strain on the balance of payments of borrowing countries. The central bankers who are so ready to read monthly lectures blaming the Americans for the evils of high interest rates might do better to turn their attention to the systems they manage themselves.

Excessive reliance on bank credit is the root of the problem, both domestically (especially in Britain and the U.S.) and in the international markets. This leads to a structure of floating and volatile interest rates and exchange rates, which inhibit investment and hamper trade; and since the counterpart of every bank loan is a bank deposit, it also creates insoluble problems of monetary control, as the British and U.S. authorities have already discovered.

This whole financial system needs reconstruction rather than reinsurance. In Britain this has been officially recognised for some time; the Deputy Governor of the Bank of England recently gave an eloquent account of the reasons why a revival of long-term corporate financing is so necessary. This would take the pressure off monetary control, allowing interest rates to ease, and stabilise the nominal cost of capital.

This has been an aim of British policy for some time—though experience shows that it will take more than preaching to make it come true: but exactly the same arguments apply, possibly with more force, in the international credit markets, where the question of debt consolidation is not even on the agenda. Until it is tackled, the problems of over-liquid markets and illiquid borrowers will continue to plague the world economy.

Problem

The problem will not be easy to solve. Some past lending is obviously unmarketable; in other words, lenders must be prepared to take some heavy and deserved losses. The genuine long-term investment that remains may be hard to sell to investors in the name of the final borrowers, in the present atmosphere of crisis: the IMF and its agencies could play a major role here as packagers and underwriters.

This is a heavy work programme, but the prize is worth some toil: a structured and therefore stable market, in which the problems of mobilising new capital—and, just as important, of organising a stable and rational exchange market—would become soluble. A mere bank rescue will not achieve these ends.

Wishful planning in Zimbabwe

SIR ROBERT MUGABE has never made any secret of his intention to follow a socialist path of economic development in Zimbabwe. This week, he finally published his medium-range development plan, some 12 months after it was originally intended. In it, he spells out his broad policy objectives for the country: to achieve not merely an ambitious growth rate of 8 per cent a year, but also to bring about the transformation of a capitalist economy into "an egalitarian, democratic and socialist society."

Since the end of the guerrilla war in 1980, Zimbabwe has offered one of the few hopeful prospects in Africa of sustained economic growth. It has better infrastructure, more skilled manpower (black and white), and more abundant natural resources than any of its neighbours—with the obvious exception of South Africa. Against those advantages must be put the need to heal the wounds left by the war years: the traditional tribal rivalry between the majority Shona people of Mr Mugabe and the minority Ndebeles supporting his one-time ally Mr Joshua Nkomo; and the inevitably inflated expectations of instant prosperity entertained by the newly-enfranchised black majority.

It is partly to meet these expectations that the development plan calls for "greater state involvement in the economy, including establishment of state enterprises and promotion of co-operative development and worker participation."

Objective

Few would quarrel with the underlying objectives of the three-year plan, such as the rapid growth in output and employment, more equitable distribution of wealth, land and incomes, and improved social services with greater access to public facilities for the poorest people. But questions arise about the suggested means to those ends—the extension of state-owned enterprise, the transfer of investment funds from the private to the public sector—and about the realism of the growth targets in the light of the current world economic recession.

Zimbabwe's hopes of sustained economic growth have been battered by the slump in prices for its major exports, particularly minerals such as gold, copper, chrome, nickel and asbestos. In the first half of 1982, exports were down 12 per cent while imports were up per cent while imports were up almost 20 per cent, leaving a trade deficit 40 per cent higher than for the whole of 1981. In volume terms, exports this year will be the lowest for 12 years. In the light of such figures, the development plan target of a 90 per cent growth in export earnings over three years must be too optimistic. Given a likely continuing balance of payments constraint, the 8 per cent real domestic growth rate seems fanciful.

Investment

Whatever the realism of the plan—and all such documents suffer from a degree of wishful thinking—there is no doubt that it depends on substantial western aid and investment to come near its goals. The £5bn investment target is to be funded essentially from western aid, from foreign borrowings by both the public and private sectors in western capital markets, and, above all, from the retained profits of capitalist business operating in Zimbabwe. For all its rhetoric, the plan shows just how dependent the country remains on foreign and domestic private enterprise.

It is small wonder, then, that Dr Bernard Chidzero, the pragmatic Zimbabwean Finance Minister, spoke at the launching of the plan of the need to woo foreign investors "assiduously." Whether foreign investors will be impressed is another matter. It took 18 months to negotiate the one noteworthy example of direct foreign investment in Zimbabwe since independence—the H. J. Heinz takeover of a food-processing plant.

Investors' fears for Zimbabwe's stability are fuelled by the activities of dissidents in Matabeleland. The Government's commitment to greater state control of the economy will increase their anxiety.

Dr Chidzero's forthright rejection of devaluation as a policy option seems to rule out support from the IMF, which has just had a team in Zimbabwe. But if Mr Mugabe wants his development plan to succeed, he may have to reconsider the IMF, and take care not to undermine the capacity of the private sector to contribute towards his ambitious targets.

UK WAGES: TWO HARD YEARS

The pendulum swings . . . towards the employers

By Philip Bassett, Labour Correspondent

PAY negotiators on all sides of British industry have now had two full years' experience of wage bargaining in the recession. Has unemployment on a scale not seen since the 1930s merely swung the pendulum temporarily towards employers? Or has it permanently changed the shape of pay negotiations?

Britain has long faced three key problems in dealing with pay, as cogently outlined in a new book* on the state of the labour market: shopfloor expectations of an annual pay increase, fuelled by years of relatively full employment; the devolved and fragmented character of bargaining in the private sector, which makes it difficult for any national pay policy to stick; and a large and highly unionised public sector workforce.

The industrial strength of this latter group often makes it difficult for the Government to resolve adequately its dual responsibilities as an employer and as manager of the entire economy.

Unemployment has affected all these problems—by the brute force method of simply reducing the number of jobs. But the recession has also had a more detailed and specific impact on pay bargaining.

Most notably, fear of unemployment has drastically altered the bargaining climate. Long gone are the days of the wages free-for-all in the "winter of discontent" of 1978-79, and the less-noticed, but at least as pervasive wages explosion in Mrs Thatcher's first year of office. Then pay across all industries and services rose by an average of 22.4 per cent.

Now most settlements are running at about a third of that rate, with a wide spread not just between industries and sectors, but in different areas of the country.

For instance, in the industrial heartland of the West Midlands, pay levels during the fat years of high wage packets were only about 1 per cent below the level of average earnings in Greater London. By this year, this tiny gap had stretched to a large divide: earnings in the West Midlands are now 13.1 per cent behind those in London.

Such changing pay relativities, coupled with ever-rising unemployment, have produced a cowed and demoralised workforce, intent mainly on trying to keep its head down and weather the storm if possible; the refusal of BL workers at Cowley to strike in support of sacked shop steward Alan Thornett is only the latest example of this.

Disputes are fewer: the number of requests to the Advisory, Conciliation and Arbitration Service for conciliation—a good measure of the large number of disputes which often don't turn into strikes—continues its sharp decline.

Strikes are even less common. The National Health Service dispute has pushed the number of working days lost this year so that the 1982 total is already higher than the 4.2m days lost for the whole of 1981, but the underlying trend continues to cascade down from the 1979 post-war peak of 29.5m. This was the highest number of days lost in a single year since the General Strike of 1926.

Even within these lower figures there are significant variations. Last year, strikes in the much-smaller—but more recession-proof—public sector cost almost as many working days as those in the larger private sector: 43 per cent compared to 56 per cent.

Such strikes as there are tend increasingly not to be about pay. Hours of work—and in particular redundancy issues—are increasing as reasons for disputes. In October, pay caused 37.3 per cent of recorded disputes, and redundancy issues 10.7.

The Government's tough line on pay—leaving the private sector to increasingly-hostile market forces and trying to apply these on top of cash limits to the public sector—has clearly been a decisive factor, coupled with its clear intention, as signalled so forcefully recently by Sir John Hoskyns, former policy advisor to Mrs Thatcher: "Every battle—British Steel, the Civil Service, British Rail—had to be fought and, if possible, won," he wrote recently.

Sir Geoffrey Howe, the Chancellor of the Exchequer, took the bull by the horns this year when in a keynote speech, significantly entitled "Pay and the Labour Market," he gave notice to the idea of automatic, annual pay increases.

However, the effect of such Ministerial exhortations, according to the research body Incomes Data Services, has been minimal, with employers in both the private and public sectors arguing about their own financial positions rather than generalised economic circumstances.

While the concept of a pay "round" at a time of no formal incomes policy is probably irrelevant in economic terms, the idea that there is such a round is still widely-held by both managers and employees. In the 1981-82 round, the Treasury estimated the overall outturn of pay increases in manufacturing industry to be about 7 per cent. This figure closely reflects CBI estimates, which note that the rest of the private sector was settling on average about 1 per cent higher than this.

There are still sector-by-sector differences, as the CBI stated: "In spite of opinion to the contrary, the public sector has not given away more in settlements than the private sector over the past year or so."

This view was confirmed, to the embarrassment of the Government—and hastily explained away in Whitehall—when its own New Earnings Survey showed that public sector pay, as measured by increases in male average gross weekly earnings, rose by 8.4 per cent, compared with 10.9 per cent in the private sector.

Currently, the Department of Employment estimates that the underlying rate of increases in average earnings is running at 8.75 per cent.

As well as basic pay increases, earnings levels reflect such things as changes in hours, increased overtime, productivity changes, and earnings drift. Settlement levels, shorn of such items, are a more accurate indicator of pay movements — and are generally lower.

The latest CBI Pay Databank figure puts current settlement levels at 6.6 per cent, roughly similar with the Incomes Data Services' view of about 7 per cent, within a 5-9 per cent spread.

The table shows a number of key settlements and offers so far in the 1982-83 "round" which began in August. Of course, there are anomalies. The increased offer of 4.8 per cent made yesterday by the influential Engineering Employers' Federation is still lower than most, though this is not the full picture: the deal on national rates is still to be topped up by local-level plant bargaining.

At the other end of the scale is the giant deal for Esso's manual distribution workers, including its oil tanker drivers. While this subsumes Esso's annual pay deal with the drivers, it also includes a major productivity deal—the last oil company to reach one with its drivers—involving a different method of work measurement. This is based on product moved rather than time spent and allows for considerable flexibility and some voluntary job losses.

The rest of the industrially-powerful tanker drivers are still to settle, though the 7 per cent deal for Shell's refinery workers may be a significant pointer to the drivers' outcome.

In between are other exceptions, such as at Vauxhall, where the success of the Cavalier model may well have caused trouble—particularly from the company's normally more docile southern plants—over a relatively high offer.

Distorting the picture, too, are long-outstanding deals, such as the arbitration award announced in October of 5.7 per cent for 540,000 white-collar staff, due from last July, and of course the NHS settlement, when it comes—delayed from April.

Overall, though, if settlements are running at about 7 per cent, then with inflation now down to 6.8 per cent, workers are for the first time since the pay boom in the Government's first year securing settlements ahead of the rise in prices. Their position may even be enhanced further if the Government is right and inflation falls to 5 per cent by the spring.

Inflation forecasting has become a key element in what may be one of the most significant recent trends to emerge on pay—long-term deals. Real trends are difficult to spot; the fashion at the end of 1980 for pay freezes, such as those at British Airways, British Steel, Avon Tyres, the ceramic industry, GEC Machines, ICL, Michelin and Wiggin Alloys, among others, has not in general been repeated, though Fleet Street employers have proposed a six-month freeze from January.

Long-term deals, such as those at Caterpillar Tractor, Scottish and Newcastle Breweries, Hoover, Eaton Transmission, Anglesey Aluminium, and others, are so far something of a rarity, though one welcomed by the Prime Minister. She told the Commons last month: "For the first time in more than a decade we see trade union negotiators who are willing to put their signatures to pay deals that are to last for two or even three years."

Deals of this kind are, of course, risky for both companies and their employees, unless they contain a reopener clause — which obviously undermines the stability which is their very attraction. They also tend to give managers room to breathe, by removing the possibility of industrial confrontation. But many trade union negotiators are still uneasy about effectively surrendering their bargaining rights for a lengthy fixed period, even in return for guaranteed rises.

Another feature of recession bargaining is that deals seem to be being concluded more quickly. Last year, for instance, Metal Box, due to settle in October 1981, reached agreement in January; Vauxhall, also due in October, in February; atomic energy workers the same; and bakery workers, due in November, settled in March.

Britain, though, has seen few examples of the type of deal concluded in the United States — the Ford or General Motors' "give - back" arrangements, where aspects of pay or conditions are sacrificed for guaranteed job security.

Even more limited arrangements, such as no-strike deals which the Conservatives said in their 1979 manifesto that they would seek in some essential industries, have not been secured. The only employers to try this were in the water industry. But the Government's abolition of the National Water Council—and the fact that the employers were not prepared to pay the water unions' price—killed the initiative.

The water workers have still to settle, after the Government forced a cut of 2 per cent in the proposed 6 per cent offer. However, the NHS dispute is flagging badly, and a relatively painless deal has been done with the miners (with the added political bonus of a humiliation for Mr Arthur Scargill). This suggests there may not be many public sector pay problems this winter, despite the union hue and cry that greeted the announcement of a public service cash limit which assumes a pay increase of only 3½ per cent.

The longer-term problem—with 7.4m public sector employees at a paybill cost of more than £50bn, or about 30 per cent of all public spending—is one that no Government can ignore. The Megaw inquiry report which proposed a new method of comparing public and private sector pay is the latest attempt to resolve the contradiction between the Government's two roles as employer and economic manager.

Even though health authorities are seeking a Megaw-style deal for NHS staff, the Government has held back from endorsing Megaw as a pay system for the Civil Service, possibly because to some Ministers it smacks of Clegg and comparability. Whether the Government can avoid proving right Professor Clegg's prediction of the return of comparability when it puts forward ideas on how the proposed review body on nurses' pay is to work remains to be seen.

Collectively, the unions are in disarray over pay. The TUC's much-vaunted co-ordination of claims has in the end achieved little in the NHS dispute. Congress House is still facing two ways. Avowedly socialist unions are aggressively practising market-based free collective bargaining at the expense of weaker unions at the same time as TUC leaders, with the Labour Party, are coaxing themselves toward a planned economy, including a policy on incomes.

Whatever the arguments in the official labour movement, the CBI now sees pay restraint as a permanent feature of the UK economy. For the still-dwindling ranks of those in a job, the arguments about voluntary or statutory incomes policy are for the moment academic. The stark choice for most of them is between pay and jobs.

Few choices are more easily decided: with unemployment still rising, pay increases are surely going to play second fiddle for some time to come.

* Workers and the New Depression—Robert Taylor. Macmillan. £15.00 (hardback), £6.95 (paper).

PAY 1982-83 — KEY AGREEMENTS

Agreement	Numbers involved	Percent increase	Notes
AUGUST			
Caterpillar Tractor	1,100	4+2+4 +index	3-year deal
Vehicle building	15,000	4.6	
Paper box industry	8,000	6.6	
Rolls-Royce Motors	4,000	5.7	Crewe
Bacon curing industry	9,000	5.2	
SEPTEMBER			
Police	113,000	10.3	Pension reduction cuts this to 5.4%
Leyland Vehicles	6,000	5.0	Plus 5% productivity consolidation
Burton Menswear	3,000	8-11	
Scottish & Newcastle	3,500	7 a year	3-year deal
OCTOBER			
British Airways	42,000	11	To last 14½ months, to Jan. 1984; delayed since Jan. 1982
Colman's of Norwich	1,000	8.4-9.2	
Shell refinery	2,000	7	
Metal Box	10,000	6	Two largest divisions
Lift and escalator industry	4,500	6.7-7.1	
NOVEMBER			
BL Cars	37,000	5+5	2-year deal
Fire Service	38,000	7.5	May be less after pension reduction
Farm workers	176,000	7.1	Increase imposed
Coal miners	207,000	8.2-9.1	
Securicor	11,000	6	
Esso	1,500	48	On basic rates, based on major productivity deal
Ford	50,000	8.2	OFFER: likely to be accepted
Merchant seamen	26,000	6	OFFER
Kodak	8,000	4.5	OFFER
Vauxhall	15,000	8	OFFER
Water	29,000	4	OFFER
Engineering Industry	2m	4.8	OFFER: acceptance recommended
Local authorities	1m	—	Claim of about 8%
DECEMBER			
Clothing industry	120,000	5.2	

Men & Matters

Mailed fist

TUC officials were surprisingly reluctant to comment on a recent speech by Employment Secretary Norman Tebbit, in which he made a particularly strongly-worded attack on unions' internal affairs.

In his speech, foreshadowing the soon-to-be published Green Paper from the Government on trade union democracy, Tebbit spoke of cases of "physical assault," of "ballot rigging," "intimidation" and "threats," and drew attention to "communist" members of the TUC.

Tebbit's phraseology was strangely reminiscent of an article which had appeared in the Daily Mail seven days earlier. This spoke of "shameful assaults," of people being "threatened and intimidated" and alleged that "ballots were rigged," blaming all this on "communist leaders."

Tebbit may have playfully been crediting the link between the two when he said in his speech that he had "not been short of advice from good trades unionists."

It was as well the TUC kept its counsel, for the author of the Daily Mail article was Frank Chapple, right-wing general secretary of the Electrical and Plumbing Trades Union—and this year's chairman of the TUC.

Good words

The controversial Northern Ireland Assembly has sorted out at least one of its procedural problems—the form of prayer to be said at the start of each session.

This is a serious matter in Ulster and caused the first division in the committee on procedure. There was momentary Unionist panic when it was noticed that the word "sovereign" had been dropped from "our sovereign lady, the Queen," but this turned out to be a clerical error (no pun intended).

Disagreement broke out over whether God's blessing should be "vouchsafed" or "bestowed" upon Her Majesty. The bestowers (regarded as incorrigible modernists by the vouchsafers) won the day. At least, as committee chairman Edgar Graham reported to a hushed assembly, the division was across party lines.

Goose chase

Strasbourg's twin claim to fame—Foie Gras Frais and the European Parliament — might seem compatible partners to those who remember the saga of Euro-MPs overspent expense accounts. But now the two are opposed in a furious row that has erupted over a British MEP's attempt to have the expensive goose liver delicacy banned.

Richard Caborn, Labour MEP for Sheffield, has tabled a motion urging the Brussels Eurocrats of the European Commission to halt both the production and imports (nowadays mostly from China) of foie gras on the grounds that its production is cruel.

His bid is being strongly contested by one of France's MEPs, 60-year-old Marie-Jane Pruvot, who represents another landmark in the Guide Michelin, the cheese producing town of Pont L'Eveque. She refutes the cruelty argument and is standing up for the estimated 20,000 French farmers whose livelihoods depend on foie gras.

The paté spat has so far produced some interesting interpretations of the methods that produce foie gras. Caborn charges that the geese are strapped into machines and forced to eat 3 lbs of cooked maize a day to fatten their livers, adding, "That's like a human eating 28 lbs of spaghetti a day."

Pruvot's view is more benign. "Cramming" she says, "is essentially an artisanal occupation carried out by a person who exercises care and attention in helping the animal by hand to swallow exclusively the maize-based food. The geese will approach the person who feeds them and demand food."

Prize money

Small business competitions are proliferating. The real art of the thrusting entrepreneur seems to be in choosing which competitions he should trouble to enter.

Microvitec, the Bradford-based maker of colour visual display units, yesterday won £15,000 and a silver trophy in the Bowmaker Industrial Achievement Award of 1982.

But only last month Tony Martin, chairman of Microvitec, received a £25,000 cheque from the Hill Samuel Anniversary Awards competition, although his company came only fourth.

Perhaps the government's small business start-up scheme could provide a league table of these useful sources of extra funds?

Practical bent

Tony Benn's talent for devising new political constructions that are readily flattened is being put to more practical uses.

When he spoke to the Parliamentary Press Gallery lunch yesterday, it was noticed that he was using a strange, triangular lectern with his notes clipped into an ingenious wire device beneath.

The veteran left-winger earnestly explained later that he now occupies much of his spare time in designing portable lecterns. He has six prototypes, all designed on differing principles, and all thoroughly tested on his constant speech-making tours of the country.

The version in use yesterday seemed to be held together by sticky tape and consisted of plastic strips which folded neatly into a flat package.

"Perhaps I shall open a small business with it," Benn mused. "I'm sure Mrs Thatcher would approve."

Tartan roots

How do you persuade people to come to Glasgow. Answer: Help them find out why their ancestors left the place.

That is the reasoning behind the new Roots Centre opening in 1983 at the city's Stirling library.

"Glasgow was the most important exit point for Scottish migrants for hundreds of years and therefore it is the logical point for someone wanting to discover their ancestry," says Dr Micheil Macdonald, the director.

Archives are being transferred to the library and will be put on to a computer together with shipping passenger lists and parish records.

The Roots Centre is determined that while concentrating upon ancestral studies it will be thoroughly modern in its facilities. Your clan tartan will be supplied by computer print-out.

Trade circles

First the Kennedy round, and then (to avoid calling it the Nixon round) the Tokyo round. Now veterans of the recent and not very satisfactory Gatt talks in Geneva have dubbed them the Round and Round round.

Observer

UK WAGES: ECONOMIC VIEWPOINT

A pay freeze to boost jobs

By Samuel Brittan

AN UNEMPLOYMENT figure of about 3m or around 13 per cent might be regarded as a crisis level, whatever slight adjustments are made on the new method of calculation to be used for the November figures out today. Unemployment is more than twice as high as the 1977 peak, which was itself regarded as staggeringly high compared with the underlying level of well under 1m which caused Mr Heath to panic into his celebrated U-turn, and pour spending money into the economy—to such ill avail as it turned out. Not only is today's unemployment so much higher; but the Government's Autumn Statement assumed an increase of 300,000 (adults) in the coming financial year with no suggestion of emergency action.

The response of the Prime Minister and Chancellor to date is *immobiliste*: to emphasise how little they can do. (One might have been prepared to give them some credit for the recent modest and necessary depreciation of sterling were they not so adamant that they have no policy for the pound, but are against depreciation. Both attitudes are misguided. The two together are mutually contradictory as well.)

The clue to the emergency action required was, interestingly enough, provided by Mrs Thatcher herself in the long and acrimonious internal Conservative debate on incomes policy after her election as party leader. She was then, while pouring scorn on incomes policy norms, careful to leave room for a possible emergency wage freeze. In those days such a freeze was seen as an anti-inflationary move; but its more appropriate role today would be to boost employment when money wages would otherwise be far from market-clearing levels. Unlike previous freezes it would not be presented as a prelude to a long-term incomes policy, but a deliberate once-for-all shock to real wages, which might shake the labour market into a new kind of realism.

A deliberate shock to real wages, once-for-all

NORBERT BLUM

In previous articles I have asserted (a) that jobs are too few because pay is too high and (b) that the British Government (like some overseas Governments) have made matters worse by too rapid and tight a demand squeeze—not necessarily intentional—which has brought inflation down more speedily than anyone thought likely but at the cost of aggravating unemployment.

The basic arithmetic of what has happened is set out in the table. The first column shows the demand faced by British producers of goods and services in money terms, which comes to the same thing as the money value of national output or Nominal or Money GDP.

The second column of the table represents a price index—not the familiar Retail Prices one but the price at which UK output is sold. Thus it excludes import prices, but includes the sterling price of exports. The movement of this index (sometimes called "home costs") determines how much of any increase in demand is dissipated in higher pay and prices and how much is left over to raise output.

The table shows that the growth of money earnings has come down quite quickly, but not quickly enough to price workers back into jobs. The article on the facing page suggests that settlements in the current pay round will be around 6 to 7 per cent, leading to an earnings increase of, say, 8 per cent after allowing for drift. This is an improvement on the 9 to 10 per cent rise likely this year, but not sufficient.

THE SQUEEZE ON OUTPUT

% change

	DEMAND (Money GDP*)	PRICE OF UK OUTPUT (GDP deflator*)	OUTPUT (Real GDP*)	AVERAGE EARNINGS	RETAIL PRICES INDEX
1977	13.9	12.3	1.4	9.0	15.8
1978	14.9	11.5	3.1	13.0	8.3
1979	15.0	13.4	1.4	15.5	13.4
1980	15.8	18.4	−2.1	20.7	18.0
1981	8.3	10.7	−2.2	12.9	11.9
1982	8.2†	7.5†	0.8†	9.8†	8.8†
1983	6.9‡	5.6‡	1.3‡	8.2‡	5.8‡

* Based on expenditure data. † Official forecast based on financial year. ‡ NIESR forecast.

Sources: Economic Trends; Treasury Autumn Statement, NIESR Review

Let us assume that as a result of the exchange depreciation we have already had, and a forthcoming budgetary boost, nominal demand is rising by the end of next year at an annual rate of 9 to 10 per cent (as originally projected in the last Budget Red Book instead of the meagre 7 per cent projected in the Autumn Statement). By no means all of that increment would be dissipated in higher pay and prices in the present depressed state of the labour and goods markets. But some of it will be. For pay is sensitive to *changes* in demand as well as its *level*; and employers will need to rebuild depleted profit margins.

A reasonable guess is that half the increment in demand will disappear into higher wages and other elements of home costs. In that case real GDP might grow by 2 to 3 per cent instead of the 1 to 2 per cent which the Government now expects. The higher figure may, with luck, be enough to stem the rise in unemployment but is hardly likely to make any major dent in the total.

Direct inspection of pay movements over many years suggests that exceptionally rapid wage inflation can be reversed quickly, but that it is very difficult to reduce pay increases to low single figures. It also indicates that it is very hard to compress the growth of earnings below the rise in the Retail Prices Index (RPI). The one recent occasion when that happened was in 1977, the most successful year of the Healey pay policy.

A year of zero settlements could be a life-saver. Of course the rise in recorded earnings would not be literally zero. There would be some drift; and it would be best to turn a blind eye to surreptitious pay increases given to attract workers with scarce skills. For although most wages are above the market clearing level, not all are. Breaches by robber baron unions would be undesirable, but not totally destructive of the policy.

Even allowing for these elements of erosion, both the price indices shown in the table would rise less than without the freeze (we could even talk about 4 per cent inflation for a time) and output could rise more quickly. But even more important, it would pay employers to take on more workers for a given volume of output. Not only would they have the wherewithal to invest; but they would have an incentive to do so in a more labour-using way.

Of course, everything would depend on pay and prices not bouncing all the way up again once the freeze was over. Behind my proposal is the idea that wages are above the equilibrium or normal level even in our imperfect monopoly-ridden labour market, but that they need a shove to adjust more quickly than if left to themselves. To avoid a large rebound, it would be vital to maintain financial policies which made it clear that a wage re-acceleration would not be accommodated and that inflationary expectations remained low. In that case it might be possible to wear away the wage round mentality more permanently; and with it the "going rate" and "pricing out of work" institutions which disfigure the labour market.

MALCOLM FRASER

A successful wage freeze is possible at most two or three times in a generation. What has gone wrong in all previous such attempts is that wishful thinkers among policy-makers regarded it as a prelude to a long-term incomes policy, which is neither desirable nor possible in British conditions.

The proposal here is not a variant of the National Economic Assessment proposed by Mr Peter Shore or the National Economic Forum mentioned in the Conservative "Right Approach" and so often invoked by the Tory "wets". It is an alternative to relying on any such thing.

An emergency exists when people think it does

There is, fortunately, nothing original in the idea of an employment-promoting pay freeze. A six-month pay freeze was suggested by Herr Norbert Blum, the new German Minister of Labour, and the German unions may not be able to block it after the 1983 elections. In Denmark a five-month freeze has just begun. In France a four-month standstill has just ended. These periods are too short; and the Australian Prime Minister, Mr Malcolm Fraser, is to propose a 12-month pay freeze at a meeting of state premiers next week.

In Britain most major companies would probably be only too glad to follow a government lead; and the smaller ones can be left to their own devices. Presented skilfully, the slogan "Give up your pay rise to provide an unemployed man with a job" could be irresistible. The Alliance and the Conservatives should compete to get there first. Instead of moaning about government, people who feel guilty or anxious about unemployment would be able to help in a practical way and pay the corresponding cost.

No doubt the unions would manipulate the Treasury model to show that a pay freeze would reduce employment by giving workers less to spend, just as the Treasury itself would use the model to show the opposite. The Chancellor of the day should not get too fussed over these so-called simulations. If there is a temporary demand-depressing effect he should be prepared to reduce tax (eg by the indirect tax regulator); and the public would have to accept that such tax cuts would probably be temporary.

The most sensitive political aspect of the plan is that it would mean a large rise in profits. It would be best to be honest and emphasise that part of the intention is to reverse the disastrous decline in the real role of return in British industry, which has fallen from 10-15 per cent in the 1960s to 2-3 per cent today. There is much greater public readiness to accept this than the customary political doublespeak would suggest. Political argument should be over the ownership of productive assets, rather than on their need to earn a profitable return.

Clearly the above plan is an emergency one. An emergency exists when people think it does; and they should at least be given the option of a plan which will further long-term objectives, rather than impede them. To my mind, the existence of idle workers, side by side with unsatisfied needs, on the present scale, is such an emergency.

What I have suggested is not the first step towards long-term pay and price controls. On the contrary, it is the best hope of avoiding them and of maintaining free economic institutions which are a precondition of political and personal freedom, too.

Lombard

Analysis and paralysis

By Michael Dixon

A "REVOLUTIONARY new analysis," said a television pundit recently of the theory that Britain's economic weakness is rooted in educational processes which disdain practical skills. The analysis referred to comes from America. Its best known advocate is the historian Martin J. Wiener in his book English Culture and the Decline of the Industrial Spirit 1850-1980.

His views have provoked much concern in Britain. But we should not have needed an American to do that. The analysis is far from new. Take, for example, the words of Roy Lewis and Angus Maude in The English Middle Classes, published in 1949:

". . . the sons of manufacturers, exercising their intellects upon Latin and Greek grammar, acquired an interest in rank that their fathers had not always had, and lost contact with the technical problems of their fathers' factories, which began to slip behind those of America and *Germany* in efficiency and competitive power."

The reason why the education system still continues to disregard economically useful skills is possibly that the dilettante attitudes first disseminated by Victorian teaching have since been compounded by another educational ill. It is analysis paralysis.

The system's perversities are ceaselessly discussed, defined and deplored. There seems to be widespread agreement that the key problem is that schools are obliged to neglect practical studies by the theoretical emphasis of the national examinations at the ages of 16 and 18. But while various interested bodies go on repeating the accepted diagnosis of the malaise, nobody takes practical steps to remedy it.

The latest analysis is published today by the British Institute of Management. It makes much the same diagnosis as the National Economic Development Council did a month ago.

It would be churlish to accuse the BIM of skimping proposed remedies. It suggests no fewer than 40. But it stresses that only four are specific proposals for immediate action, and three of them have a distinctly familiar ring.

One is to "bring together a group of influential and interested people from Government, business and education to establish a consensus and launch a series of conferences. . . ." The same was done by the 1976 Labour Government to promote its so-called great debate on education, and is now being done by the present Government on the topic of work-related studies for adults.

The second is to "initiate a national management computer game for schools. . . ." The Institute of Chartered Accountants in England and Wales has been running one annually for years.

The third is to "prepare a management information pack for use by teachers. . . ." Many such teaching aids are already available. A minority of teachers even use them.

By contrast, the fourth seems new. It is to make efforts to bring senior teachers and other educational administrators into membership of the BIM. But I doubt that many of those who join will be able to be active members. They are kept too fully occupied by the pressure on them to get every possible pupil in their domains through the national school-leaving exams.

Far from diminishing with the growth of consensus that the emphasis on exam-passing is the key problem, the pressure for success in academically directed examinations has increased. The main reason is that, as the supply of jobs for people leaving formal education has declined, employers have raised the levels of exam attainment they require.

It is a counter-productive process which employers could easily remedy without need of lengthy consultation with the educational establishment. All they need to do is stop fostering it themselves.

But that simple point is nowhere mentioned in the BIM's elaborate prescription. I hope that we shall not have to wait for an American historian to awaken us to our self-destructive obsession with exam-passing, too.

Letters to the Editor

Worldwide implications of exchange rate policies

From Mr T. Rybczynski

Sir,—The present discussion on the exchange rate appears to pay little heed to the implications of a change in the external value of sterling on the rest of the world. A decline in the external value of sterling improves the competitive position of the UK and creates more employment, but it would have an opposite effect on other countries at a time when unemployment in industrial countries is either around or approaching 10 per cent. While they would probably accept a relatively modest fall in sterling they would find a marked decline painful and difficult to absorb and might react in one way or another.

There are now no rules either as regards the growth in world money supply—taken to include currencies used as reserve and transaction currencies—and as regards the process of adjustment, i.e. the behaviour of exchange rates. What we have is erratic and unpredictable behaviour of world money supply, as defined above, and implicit exchange rate policies on the part of three major countries with no exchange controls, Germany, the UK and Japan, with the U.S.—the fourth major country with no exchange controls—following a policy of complete non-involvement in exchange rate.

As a result, there is now a danger that the implicit exchange rate policies may conflict with each other, have a detrimental effect on the world economy as a whole and give rise to the "beggar-my-neighbour" policies so characteristic of the 1930s.

It is only when an agreement is reached among the major countries on these two basic elements of the international monetary arrangements (the rate of growth in money supply and exchange rates) that a firm basis will have been laid for further advance, including free flow of trade, which can only exist if international monetary arrangements are functioning properly.

T. M. Rybczynski.
21, Moorfields, EC2.

Privatisation of Companies House

From Miss N. Forster, MEP

Sir,—I understand that the privatisation of *Companies* House is being considered by the Government. I feel that the registration of *companies* could be an ideal task for the chambers of commerce to undertake and that a full investigation of this option should be made before there is any sale to a private or public company. If the chambers of commerce undertook registration of companies they could develop a data base which would be of use and service to all Industry and commerce. I believe it would be a mistake to let this fall into the hands of a single commercial enterprise as it would then be in a monopoly situation in what is now a vital public service and which would in the future become an even more effective information base for Industry. The registration of *companies* could also be done regionally through the chamber of commerce movement.

This is already the practice in Germany and some other Continental countries. The system there offers many advantages but it is linked with compulsory membership of the chambers which might not be acceptable to this country. The problem may not arise however if the registration of *companies* is kept quite separate from actual membership of the chambers.

If the chambers took on the registration of companies it would provide them with an additional source of income which would enable them to develop a much wider range of services like those provided by their counterparts on the Continent — training, documentation and information, provision of exhibition facilities, etc. Many would welcome chambers of commerce becoming stronger and more active in this country especially in their role as a means of communication.

(Miss) Norvela F. Forster.
c/o IAL—Industrial Aids,
14 Buckingham Palace Road, SW1.

From the Secretary and Chief Executive,
Institute of Chartered Secretaries and Administrators

Sir,—The *manner* of the announcement of invitations to private sector companies and organisations to make proposals for the takeover by them of certain functions of the Companies Registration Office has caused concern.

It would have allayed anxieties if information had been given as to the nature of the functions which are being considered for privatisation and which are not.

We are not encouraged by the results of abolishing the Business Names Register and leaving private enterprise to substitute for it a limited service at a much higher cost to the user.

The Department of Trade is again likely to hand over services which it could itself make profitable, presumably simply to take the expenditure off its budget.

There are important matters of policy such as new ideas for registering small businesses outside the Companies Acts towards the consideration of which my institute had contributed some new thinking; but these, we are told, are pending with Ministers. We would have hoped that these policy matters which could have a very considerable effect on the volume of company registrations would have been considered before piecemeal privatisation takes place.

B. Barker.
16, Park Crescent, W1.

Support for the chairman

From Mr A. Chester and others.

Sir,—The accuracy of the report on November 26, concerning a row said to be looming between Sir Peter Green, chairman of Lloyd's and the members of his committee can best be judged by the signatures appended to this letter.

We are all wholly supportive of Sir Peter and the deputy chairmen in the very strenuous efforts they are making in order to overcome the problems with which Lloyd's is faced. To suggest otherwise is damaging not only to Lloyd's but to the credibility of your newspaper.

A. Henry Chester, Frank Barber, E. E. Nelson, C. D. D. Gilmour, P. N. Miller, Alan Parry, S. R. Merrett, T. W. Higgins, P. G. Bird, G. W. Hutton, A. W. Higgins, D. J. Barham (away but approved the contents).
Lloyd's,
Lime Street, EC3.

Not allowable for tax purposes

From the Financial Controller, Ludlow Industries (UK)

Sir,—The Inland Revenue appears to consider that provisions against sums due from *Nigerian customers* and subsidiaries are not allowable for taxation purposes as they are only "*doubtful*" by virtue of local government action in Nigeria.

The *fact* that there *is no* likelihood of repayment in the short to medium term and that this is accepted by the *auditing* profession as justification for a provision appears to be of little consequence.

David R. Abrahams.
Ludlow Industries (UK),
Conbar House, Mead Lane, Hertford.

Labour leadership contests

From Mr F. Field, MP

Sir,—Your report (Nov 24) the setting up of Labour Franchise in the following balanced way: "Labour right-wingers yesterday announced the formation of a new ginger group dedicated to minimising the role of Party activists in the annual contest for the Labour leadership."

Perhaps at some stage your *political correspondent who* filed this story could spell out what is right-wing about campaigning for the Labour NEC to lay down guidelines on how to involve Party members in future leadership contests. Labour Franchise does not insist that Parties must adopt a postal ballot; rather, we look on this as one way of involving rank and file members. The others are secret ballots at branch meetings or secret ballots at mass meetings of Party members.

Labour Franchise is not campaigning for these proposals to be mandatory and forced on local Parties, for we believe the idea to be correct, and that its own natural appeal will see it through to success. Nor are the changes proposed as a way of curbing left-wing or any other sectional influence in the Party. We believe quite simply that giving every Party member a vote in the constituency section of the electoral college is the right thing to do. It is right because that's what most of us understand democracy to mean. And it's right because the Party membership must be seen as a bridge between the activists on the one side and the electorate on the other. If we cannot convince our own members of the correctness of an action, what hope have we with the wider electorate?

You headed the news item "New group may curb left wing." Labour Franchise is not concerned about how the short-term effects of the one person, one vote 'reform' may affect any one section of the Party. We welcome the recent changes made to the Party's constitution and our aim is to make these changes truly democratic. The moving away from the caucus democracy now operating in the Labour Party, to a wider involvement in the entire membership, is seen by Labour Franchise as attempting to develop a system of Party democracy which can be married with our system of Parliamentary democracy. I hope readers will feel that this is an important enough issue for it not to be seen as merely part of the natural tension between the left and right wings of the Labour movement.

Frank Field.
House of Commons, SW1

FINANCIAL TIMES
Thursday December 2 1982

DEMOCRATIC FRONT-RUNNER CITES FAMILY PRESSURES

Kennedy 'will not run in 1984'

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

SENATOR EDWARD KENNEDY yesterday stunned Washington with a dramatic and totally unexpected announcement that he would not seek the Democratic nomination for the U.S. presidency in 1984.

Mr Kennedy, looking relaxed, told a hastily summoned nationally televised press conference that family considerations – the views of his three children and his recent divorce – were the main reason. "If it had been a political decision, I would be making a different announcement today," he said.

Mr Kennedy who has long been the front runner in the opinion polls for the nomination, said he was convinced that he could have won it but that "cumulative family pressures" were unacceptable. The decision delighted the White House, which regarded him as the strongest potential challenger if President Ronald Reagan decides to run again.

His withdrawal throws the race for the Democratic presidential nomination wide open. The remaining leading contender, Mr Walter Mondale, the former Vice-President, will now be far more strongly challenged by a host of other hopefuls, including Sen John Glenn of Ohio, the former astronaut, and probably Sen Alan Cranston of California. Others mentioned include Sen Gary Hart of Colorado and Sen Ernest Hollings of South Carolina.

Many observers believe, however, that with Mr Kennedy out of the way, there may be outsiders, who nobody is now considering who could make a strong run.

Mr Kennedy insisted that he would not allow himself to be drafted for either the presidential or vice-presidential nomination at the 1984 Democratic convention, although not everyone in Washington believed him.

"It is no mystery that I would like to be President," Mr Kennedy admitted. He said that he had enjoyed his unsuccessful campaign for the nomination against President Jimmy Carter in 1980, and "I have to say I may do it again."

Cynics on Capitol Hill assumed that family considerations were only a smokescreen and that the real reason was that he had concluded that even if he got the nomination he could not beat Mr Reagan if he decided to run for a second term. Recent opinion polls have suggested that Mr Reagan would narrowly beat either Mr Kennedy or Mr Mondale.

Mr Reagan, on his trip to Brazil, gave a strong hint that he was considering running again. Asked if he would "follow suit" after Mr Kennedy's announcement, Mr Reagan replied: "You know, I do not believe there is much of a record of me imitating Teddy Kennedy."

Mr Kennedy is the acknowledged leader of the Democrats' liberal wing. He said he might well support one of the other contenders for the nomination, but he thought Mr Reagan could be beaten, and that he would be supporting the next Democratic president for re-election in 1988.

Another possibility, however, is that he has decided that the Republicans are likely to maintain their grip on the White House in 1984, whether through Mr Reagan or another candidate, and his best bet is now 1988.

He is still only 50, giving him effectively another 20 years or so to go for the top job.

Asked whether Mr Kennedy's decision surprised him, Mr Reagan said: "In a word, yes." The White House believes that none of the other Democratic candidates so far in the field is a particularly strong runner, a view shared by most political experts in Washington.

Britain 'finds' 800,000 workers

By Max Wilkinson in London

THE UK Government has "discovered" about 800,000 workers in gainful employment whose existence was previously unsuspected, according to a new survey to be published next week.

The discovery – which has important implications for perceptions of the "true" unemployment level behind the published statistics – comes just as the Conservative Government moves to a different system for collecting unemployment figures.

The November figures, to be published today, will be the first on the new basis which for technical and other reasons will show a total that may be 250,000 less than would have been shown on the old basis.

Ministers are certain to be criticised on the ground that the new figures do not give a true picture. But they will probably use the latest survey findings as evidence that unemployment is not, in reality, much worse than the figures suggest.

The "discovery" that there are more workers than was previously thought comes in the latest labour force survey to be published by the census office on Tuesday.

The error in estimating the true size of the workforce is thought to result from the difficulty, between surveys, of identifying the large number of small businesses which have been started up.

It was previously thought that between 1979 and 1981 the employed labour force had shrunk by 1.66m to 22.85m. This apparent fall was far larger than the increase in recorded unemployment during the period. Many of the Government's critics therefore concluded that there was a substantial pool of unemployed – perhaps 700,000 people – who had become so discouraged that they did not bother to register.

It is now estimated, however, that the fall in the employed labour force was only 840,000 during the period

One consequence of the discovery that the employed labour force is higher than expected will be that estimates for Britain's national output between 1979 and 1981 may have to be revised upwards.

News analysis, Page 6; Wages: two hard years, Page 18; Pay freeze to boost jobs, Page 19

UK banks monitor foreign debts

By Peter Montagnon in London

THE FOUR leading British commercial banks have set up a secret committee to monitor problems in international debt markets.

The committee will work informally towards a common approach by UK banks to the payments difficulties of certain sovereign country borrowers.

The committee, grouping general management representatives of Barclays, Lloyds, Midland and National Westminster, was set up in the late spring of this year, before the Mexican debt crisis revealed the extent of debt problems facing the Euromarkets.

Its existence was then kept confidential for fear of arousing nervousness in the banking community.

The Committee's practical application has since come more to the fore with Argentina's debt problems requiring a joint response from British banks and with requests for loans from British banks landing from countries as far apart as Brazil and Yugoslavia.

British clearing bankers, like many of their counterparts overseas, now recognise that the debt problems facing many countries in the developing world and Eastern Europe are so serious that the accent has to be on a common approach rather than competitive solutions which would promote the interests of some banks.

It is understood that the sovereign risk committee, which meets regularly on an informal basis, is seen as a potential nucleus for a national negotiating body, representing the interests of all British banks in debt rescheduling talks.

The type of problems discussed by the committee would include Brazil's request for short-term bridging finance. It is understood to have sought $200m from British banks.

U.S. establishes new economic and military links with Brazil

BY ANDREW WHITLEY IN BRASILIA

THE U.S. and Brazil are to set up a series of ministerial-level working groups to cover a range of economic fields, including military supplies.

Mr George Shultz, U.S. Secretary of State, said President Ronald Reagan and President Joao Figueiredo agreed during their meeting yesterday that the military working group would deal with training, technology and the possible joint production of military equipment.

He said the question of restoring the two countries' joint military commission, ended in 1977 by Brazil, was also possible.

The U.S. also confirmed that it has extended an important short-term credit line to the Brazilian central bank as part of what Mr Schulz called "normal swap arrangements." The U.S. Treasury stabilisation fund is to make a $1.2bn loan for 30 to 60 days, designed to cover Brazil up to the period when funds from the International Monetary Fund are dispersed.

Under President Reagan and Mr Anthony Motley, the active U.S. ambassador to Brazil, the pace of exchanges of top-level military visits has been stepped up. Mr Motley has publicly confirmed that the two countries' military links will be discussed during the presidential visit.

The U.S. has made no secret of its desire to establish closer working ties with the Brazilian military, while recognising the extent to which Brazil has developed its own independent military industry over the past five years.

At the time of the breach in their bilateral treaty some 3,000 Brazilian officers were undergoing training in U.S. military academies.

The re-establishment of the substance of the former links will have to be "on new terms" and not under the aegis of "an outdated military agreement," a Foreign Ministry official said yesterday. He felt renewed access to American military technology would be "a very healthy" move.

One major obstacle to be overcome before such a relationship can be consummated is Brazil's declared policy of selling military hardware to any customer able to pay the – usually cheap – price.

This no-strings approach, added to the relatively simple designs and low prices of Brazilian military equipment, from tanks to surface-to-air missiles, has made Brazil an outstandingly successful arms exporter to other developing countries in recent years. Arms sales are expected to earn the country more than $1bn this year in badly-needed export revenue.

U.S. warns Europe of possible trade war in farm goods

BY DAVID WHITE IN PARIS

THE POSSIBILITY of a trade war in farm goods was raised here yesterday by Mr John Block, U.S. Secretary of Agriculture. "It is possible that the sale of some of our surplus commodities or some kinds of export subsidies . . . may be necessary," Mr Block was speaking at a press conference, before a two-day meeting of Agriculture Ministers at the 24-nation Organisation for Economic Co-operation and Development.

He described the move as a "maximum step" which the U.S. had so far refrained from taking in its confrontation with the EEC on the issue of subsidised exports.

Mr Block said the U.S. was "deeply disappointed" at the outcome of the General Agreement on Tariffs and Trade (Gatt) ministerial meeting in Geneva. He had "some optimism," however, about the OECD talks, in which Mr Poul Dalsager, the EEC Commissioner, is also due to take part.

"It gives us an opportunity to pick up some of the pieces," said Mr Block, who is to participate in the planned high-level meeting in Brussels next week.

He emphasised that the U.S. wanted to continue talks. "Had we given up, I would not be here at this meeting."

The U.S., which had in storage about half the world's grain stocks, was on a collision course with Europe over the handling of surpluses. "We're forced to become more aggressive," Mr Block said.

He added that there was no deadline set for U.S. counter-action, "and if there was, we would not be making it public."

Mr Block denied a report, emerging from the Geneva conference, that the U.S. was considering selling large quantities of dairy products to the Soviet Union.

The U.S., be said, had $3bn worth of dairy produce in storage, but it had not been decided whether to sell it on the world market and "certainly not" to which countries.

But he conceded that the "biggest opportunities" were in Eastern European countries and the Soviet Union.

"I frankly have no idea what to do with all those products," Mr Block said.

'Personal robot' launched

By Paul Taylor in New York

HERO 1 may not have the voice of Luciano Pavarotti, but the 28-inch-high "personal robot" will wake its master up on his birthday with an acceptable rendering of "happy birthday."

That is not all Hero can do. According to Mr William Johnson, president of Heath Company – the Michigan-based subsidiary of Zenith Radio Corporation – Hero 1's abilities are limited only by its physical make-up and "the programmer's imagination."

The baby robot, reminiscent of R2D2 of Star Wars film fame, has a turret-like head, a single arm and vice-like hand, is mobile, can talk and has an array of sonar, and light and noise sensors which allow it to "hear and see."

At a bizarre New York hotel launch kicked off by the robot itself, Hero was put through its paces, and closed the press conference complimenting Heath executives that they were "not bad for humans."

Although the price – $1,500 in kit form and $2,500 fully assembled – will probably mean that Hero 1 finds its way into a few christmas stockings owned by electronic hobbyists and those already bored with ordinary personal computers, the product is aimed mainly at the educational and training market.

The Robot Institute of America has estimated that by 1991 the number of industrial robots installed in the U.S. will have mushroomed from less than 7,000 today to more than 100,000 and that annual sales will have soared from $125m last year to $2bn.

Heath believes that growth will create a "severe" shortage of people trained to design, install, operate and maintain the machines.

The robot's name is an acronym for Heath Education Robot and will be sold with a separate $99.95 two-volume teaching manual.

Impasse at Arbed Saarstahl

Continued from Page 1

sidered a special case by the Government, qualifying for aid because it is an area on the fringe of the Federal Republic depending on relatively few sectors to provide jobs. These sectors, mainly steel and coal, are both having an exceptionally tough time.

But the steel industry throughout the country is hard-hit, too. Production has plummeted, roughly half the sector's 200,000 workers are likely to be on short-time working by the New Year – and precious few of the non-Saarland steel concerns are likely to have much extra time and money for Arbed Saarstahl.

Rome's finance ministers differ

Continued from Page 1

other key posts have been left unchanged since the last government. Sig Emilio Colombo remains Foreign Minister, a post which he has held since 1980, and Sig Virginio Rognoni retains the Ministry of the Interior.

But Sig Filippo Maria Pandolfi, a former Christian Democrat Treasury Minister with a good reputation in international circles, has been made Industry Minister. He replaces Sig Giovanni Marcora, who asked not to be reappointed.

In the new Cabinet the Christian Democrats have half the posts, including all the senior ones they traditionally occupy. The rest are divided between Socialists, Social Democrats and Liberals. The Republicans, the party of Sig Spadolini, decided not to enter the Government on the grounds that the new coalition's economic programme was inadequate to meet the crisis.

The new Government is committed to cutting the public deficit by L15,000bn, by reducing spending and a once and for all tax to fall mainly on the professional classes and the self employed. It has also pledged to bring the inflation rate down from its current 17 per cent to an average of 13 per cent next year.

Under pressure from the Socialists and Social Democrats however, the more painful ways of cutting spending and holding down pension increases were dropped, and a plan for the Government to intervene directly to modify the scala mobile wage indexation system was dropped in favour of pressing on with the long-running attempts to get a voluntary agreement by unions and employers.

As a result the unions have dropped the idea of an early one-day general strike in protest against the Government's programme, while the employers, who last week thought they bad a Government leaning towards their interests, are downcast.

Sig Fanfani is trusting to his own undoubted skills to steer through the agreed programme and keep the Government in existence until general elections are due in the spring of 1984.

But the Socialist Party has never concealed its preference for general elections early next year.

THE LEX COLUMN

Tesco checks out a convertible

The recent and sudden rehabilitation of Tesco's equity must have braced shareholders for a call on their pockets and yesterday the stores group duly weighed in with a £56m rights issue in the form of convertible unsecured loan stock

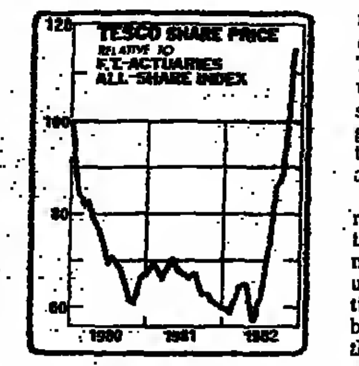
With a shadow removed from the price, and earnings dilution postponed for a few years more, the shares ran up 11p to close at 135p.

Balance sheet gearing bas never been a serious problem at the UK stores group but trading margins have until recently been so meagre that interest charges have loomed far too large in the revenue account. The group has in the past six months provided evidence that an emphasis on cost control is bringing margins back to life, but heavy capital spending – budgeted at £119m in the current year – has threatened to push income gearing back upwards.

By replacing its medium-term facilities with the new loan stock, Tesco stands to make a gross interest saving of about £2m annually at current rates. Gross borrowings are about £50m, some of which is represented by overseas debt which Tesco will presumably leave intact, so in practice there will be some build-up of UK cash balances.

The price of this saving, and of a better structured balance sheet, is an eventual increase in share capital of about 13 per cent. Dilution, however, is some way off. Compound dividend growth of 10 per cent would suggest conversion in 1991/2. At 15 per cent, it would come two years earlier.

Tesco is unlikely to have much difficulty in persuading its shareholders to swallow this stock. But the fact remains that the successful food retailers do not need rights issues and the case for putting Tesco in this category is not yet proven.



MEPC

MEPC's results underline the pressures building up in the property world. The revaluation emerges at a very modest 3.7 per cent, which compares with 19 per cent in the previous year. The U.S. has been flat in sterling terms, while a 3 per cent uplift in the UK encompasses a slight decline in industrial property, a marginal increase in offices and a better performance from shops.

Gross rental is up 24 per cent, but this has been sharply boosted by the acquisitions in the U.S. These are not only higher risk investments, they also have had the effect of increasing the outgoings charge. Stripping out the benefit from the rights issue, a 24½ per cent increase in pre-tax profits to £33.4m translates into a more prosaic gain of 10 per cent or so. With neither new acquisitions, nor a strong performance in Australia likely to recur in the current year, the UK group will have to run hard to repeat this increase.

MEPC has a fairly modern portfolio worldwide, with 70 per cent built or updated within the past eight years, although the proportion in the UK is nearer 50 per cent. It has net cash of £75m, which it plans to eke out for several years by funding new developments with 60 per cent of debt, probably fixed. With the help of disposals, this should allow the company to maintain its high level of dividend payout.

The stock market's cautious view of the group is reflected in a discount to net assets just short of 50 per cent. The shares rose 3p yesterday to 179p, where the yield is 6 per cent.

U.S. bonds

The U.S. debt markets have been looking a little lost this week, and no wonder. Having deconsecrated money supply figures, the Federal Reserve has willy nilly focused even more attention on changes in the discount rate. Until last week, these gave a strong lead. . . . . .

Reductions in the rate seemed to tally with the Fed's perceived shift towards encouraging lower rates as a key to economic recovery and the markets have been growing bolder at anticipating them.

Last week they anticipated one that never arrived and now they are not so sure. The economic news is no better with the latest leading indicators up a feeble 0.2 per cent. There were even two days last week when the level of Fed funds struck the market as a happy background for another ½ per cent cut in the discount rate. But it has stayed at 9 per cent.

Now yields have risen enough to remove any technical grounds for the cut. Yields in the Treasury bond market yesterday ranged from just under 10 per cent to 11 per cent at the long end and Fed funds were back up to 9 per cent, even before the weekly settlement requirements pushed them higher still.

The higher yields partly result from acute indigestion, with strong demand from corporate issuers and another exceptionally heavy municipal bond calendar this month.

Retail buyers may be hoping that higher yields will similarly be needed to absorb three new Treasury issues in coming weeks requiring about $9bn of new cash.

On the other hand, cutting the discount rate now – in defiance of technical and supply considerations – could be a timely reassertion, after all, of the Fed's changed posture.

Dawson Int'l

Concern over exports, which represent almost half of Dawson International's sales, has been a drag on the group's shares in recent weeks. But in practice the damage has been contained. Pre-tax profits have fallen by 12.5 per cent at the interim stage to £8m, but excluding Haggas, sold in May, and lower investment income, the downturn emerges at less than 4 per cent.

Volumes were down in the high margin knitwear, but improved demand in the Far East and the U.S. partly offset the slide in Germany. The UK group aims to hold prices into the middle of the next financial year and there is already some firmness in its UK knitwear and yarn markets. But long lead times put the effects of this and the weakness of sterling some nine months away. The potential of the Jack Nicklaus tie up is still further ahead.

Dawson has realised some substantial profits on gilt-edged in the current half which will top up the full-time pre-tax figure. This should emerge in the region of £20m, against £23m, and should prove a one-off setback after seven years steady growth.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	14	57	Dubrovnik	C	16	61	Malaga	C	14	57	Salzburg	S	5	44
Albufeira	S	19	66	Faro	F	14	57	Malta	C	16	61	Seoul	C	9	48
Algiers	C	11	52	Florence	C	13	55	Manila	S	32	90	Singapore	R	29	84
Amsterdam	S	2	35	Frankfurt	S	3	37	Miami	S	27	81	Stockholm	F	5	41
Athens	F	19	66	Funchal	F	19	66	Milan	C	10	50	Strasbourg	C	3	37
Bahrain	S	18	64	Geneva	C	6	43	Moscow	F	0	32	Sydney	S	31	88
Bangkok	C	28	82	Gibraltar	S	15	59	Munich	C	2	35	Taipei	S	21	70
Barcelona	C	12	54	Guernsey	D	6	43	Nairobi	—	—	—	Tangier	F	14	57
Beirut	F	17	63	Helsinki	C	-1	31	Naples	R	11	52	Tehran	—	—	—
Belgrade	R	8	46	H. Kong	S	21	70	New Delhi	S	28	82	Tel Aviv	F	18	64
Berlin	S	3	37	Innsbruck	C	5	41	New York	C	14	57	Tenerife	F	21	70
Biarritz	F	10	50	Inverness	C	9	48	Nice	R	13	55	Tokyo	S	18	64
Blackpool	F	3	37	Istanbul	C	13	55	Oporto	C	8	46	Toronto	C	9	48
Bordeaux	C	6	43	Jersey	D	5	41	Oslo	Fg	-3	27	Tunis	R	13	55
Brussels	F	1	34	Jo'burg	S	21	70	Paris	C	4	39	Valencia	S	12	54
Budapest	C	7	45	Las Palmas	C	20	68	Prague	S	2	36	Venice	C	11	52
B. Aires	C	25	77	Lima	S	24	75	Reykjavik	Sn	-1	30	Vienna	C	4	39
Cairo	C	21	70	Lisbon	S	8	46	Rio de J'o	S	35	95	Warsaw	S	5	41
Cape Town	—	—	—	Locarno	F	9	48	Rome	R	15	59	Zurich	C	3	37
Caracas	C	28	82	London	F	6	43								
Casablanca	F	17	63	Los Angeles	S	17	63								
Copenhagen	C	4	39	Luxembourg	C	0	32								
Corfu	F	18	64	Madrid	C	4	39								
Dublin	C	8	46	Majorca	F	15	59								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Mexican controls

Continued from Page 1

became alarmed at the last government's lack of direction while the economy deteriorated.

The new President said Mexico was living through an "emergency" because of the strain on the economy of servicing the $80bn foreign debt. This meant great sacrifices would bave to be made by everyone in the next two years, he warned.

Sr de la Madrid outlined a broad framework of policies which are very much in line with Mexico's stabilisation programme, already agreed with the International Monetary Fund.

The President said control of public expenditure would be austere next year. In order to minimise the impact on unemployment, labour intensive programmes would be carried out in depressed areas, and more credit made available to small and medium-sized firms.

To reduce corruption, greater control would be exercised over the way public funds were spent. Sr de la Madrid vigorously attacked those government officials who also have private business concerns, and promised to regulate the conflict of interests.

Mexico's banking system will not be denationalised, but the President left open the possibility of a mixed system. Condemning "financial populism" be said the banks would be run more efficiently.

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SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday December 2 1982

Metallgesellschaft feels the effect of recession

Metallgesellschaft, the West German metals company, suffered its first postwar loss in the year to the end of September. Kevin Done in Frankfurt reports on the problems facing various parts of the company and explains why interest in shares remains surprisingly high.

LITTLE MORE than a year after celebrating its centenary, Metallgesellschaft, once one of tha world's most powerful metals companies, bas little cause for joy.

The company, once beld by Lenin to have been a monster of monopoly capitalism, is unable to pay its sbareholders a dividend for the first time in more than 30 years.

It is still making money from Lurgi – its process plant engineering subsidiary and the jewel of the group – while despite the recession, returns from its chemicals and transport operations have beld up satisfactorily.

But because its commodities division, which still provides more than 45 per cent of the group's sales from mining, metal and ore trading and metal production, Metallgesellschaft bas buckled under the weakness of world non-ferrous metals markets and sinking prices.

In manufacturing, which amploys nearly balf of Metallgesellschaft's shrinking 23,757-strong workforce, the group has run up heavy losses as a result of a plant closure in Frankfurt, steeply falling demand for nickel products from the chemicals, power station building and sblpbuilding sectors, and substantial write-offs on a new car components plant in Mexico.

Metallgesellschaft's manufacturing division has for years been a heavy burden on the group's profitability and bas continued to run up heavy losses despite repeated attempts at restructuring. The group's traditional roots be far more in mining, in metals production and trading, and process engineering.

"There is nobody on the board whose eyes ligbt up at the suggestion of manufacturing a new piston," says one senior executive in the group, "but if you put a new mining proposition to them, you are guaranteed an interested audience."

The company's lurch into loss in the last financial year to end of September – the first time it bas been forced to report a deficit in the postwar period – owed much to the deep-seated problems of its biggest subsidiary in this sector, Vereinigte Deutsche Metallwerke.

Steps are being taken to reorganise the division, but Metallgesellscbaft clearly under-estimated the costs of plant closure. In Frankfurt it has sbut its Heddernheim metal-forming plant, which produced aluminium, copper and brass semi-finished products.

Originally the cost of the closure – in particular the expensive redundancy agreements – had been calculated at about DM 45m ($18m) but since the March closure, the costs have doubled to around DM 100m.

More successfully, the company has sold off its aluminium and plastics packaging plant to Cebal, a subsidiary of Pèchiney Ugine-Kuhlmann of France.

Major worries remain in this division, however, in the shape of nickel products, which accumulated losses of around DM 50m in 1981/82 as a result of low capacity working and plunging prices.

Here, Metallgesellschaft is hoping to regain profitability through a drastic cost-saving programme, reductios in capacity and the introduction of new products, belped by substantial investments in more modeco plant. It is also seeking new partners to help shoulder the burden.

It bas already gone down this road successfully in trying to reduce its exposure to the losses it is running up in metal production, and particularly in zinc smelting. Losses bere totalled DM 30–35m in the last business year.

Metallgesellschaft is confident of signing in the next few days an agreement with MIM Holdings of Australia to dispose of 50 per cent of its electrolytic zinc-smelting plant in the Ruhr. The group bas a total zinc-smelting capacity in the Federal Republic of 190,000 tonnes a year.

In return MIM is gaining a long-term sales contract for its big mines at Mount Isa, Queensland, guaranteeing sales of 70,000 tonnes of zinc concentrate next year, rising to 100,000 tonnes a year in 1985. MIM is also taking a 33 per cent interest in Rheinzink, a Metallgesellschaft majority-owned subsidiary, making zinc products, such as roof drainage systems, leaving the German concern with 33 per cent.

The group is campaigning bard to get the blessing of the European Commission for an agreed cut of 150,000–200,000 tonnes in zinc-smelting capacity in West Europe. Metallgesellschaft itself does not intend to sbut either of its plants but is willing to contribute to a common fund to alleviate closure costs for other producers.

It is also trying to wring concessions out of the electricity supply industry to cut its power bill for the very energy-intensive zioc-smelting process.

In recent years Metallgesellschaft has rapidly expanded its oversea mining operations, including a stake in one of the world's most inaccessible mining projects, the Ok Tedi gold and copper development in Papua-New Guinea. Yet some of the projects, particularly in Canada, have run into loss as a result of worldwide recession and falling metal prices.

The centrepiece of Metallgesellschaft's involvement in Canada is its minority 21.3 per cent holding in the Teck Corporation.

Overall for 1981/82 (to the end of September), Metallgesellschaft bas suffered a 9 per cent fall in sales to DM 9.5bn ($3.8bn) with a 10 per cent drop in foreign sales to DM 6bn (caused chiefly by the lack of major plant competitions by Lurgi). A plant closure and asset sales have reduced the group workforce to 23,757 from 26,829 a year ago.

For 1982/83, Herr Karl Gustaf Ratjen, chief executive, expects little or no help from a general economic recovery. The only chink of ligbt is his hope that the continuing fall in metal prices will be stopped by the end of the year, removing the need for further costly write-offs on metals inventories. At the same time, the expensive retructuring measures should start to bring some relief to operating results.

Interest in Metallgesellschaft shares has remained suprisingly high, given its meagre profitability in recent years, chiefly because of repeated rumours of the possible transfer of big block sbareholdings (particularly by Dresdner Bank), and because relatively few sbares are in private hands.

Major shareholders in the group are the state of Kuwait and the Kuwait Petroleum Company with more than 20 per cent, the Dresdner Bank with around 30 per cent, and a bolding company with some 35 per cent, representing the interests of Siemens, Deutscbe Bank, Allianz and Daimler-Benz. When they can expect a resumption of dividend payments is still an open question.

Securities industry profits at record

By Richard Lambert in New York

AN EXPLOSIVE stock market rally sent pcofits in the U.S. securities industry soaring to a record $970m in the third quarter of this year. This was over a fifth higher than the industry's previous peak for a three-month period, set in the second quarter of 1980, and compared with pre-tax totals of just $170m and $292m in the first and second quarters of this year.

Overall revenues of the securities industry are also likely to hit an all-time high in 1982, according to figures released by the New York Stock Exchange. Gross revenues could climb by more than a tenth to about $21bn for the year as a whole.

Mucb of the third-quarter upsurge came from the trading activities of securities firms – the principal as opposed to the agency part of the business. Trading income has become an increasingly important componant of profits in recent years, and climbed from $1.2bn to around $1.6bn between the second and third quarters.

Commission revenue also rose sharply, to $1.5bn, but falling interest rates squeezed the industry's profits on interest income, which arises largely as a result of margin lending to customers.

These latest figures bighlight the increasingly volatile nature of the U.S. securities industry. In the first half of this year total pre-tax profits plunged by nearly 65 per cent and the annualised return on equity fell to just 7.3 per cent after tax. Particularly badly hit were the regional firms specialising in retailing securities to private investors, who all but disappeared from the market in the period.

Publicly-owned securities firms have already reported substantial earnings increases in the third quarter. Merrill Lynch's profits nearly trebled compared with the comparable period in 1981. The outlook for the current three months is also favourable, given the very high levels of trading volume and volatile market conditions since the end of September.

Industry leaders, though, are not quite as cheerful as might be expected. Earlier this week, New York's Mayor Edward Koch said he was in favour of reinstating a tax on stock and security transactions to help the city narrow its budget deficits. In the circumstances, unprecedented profitability is not something to crow about.

Nu-West seeks to ease debt burden

By Our Financial Staff

NU-WEST, the troubled Canadian energy and property group, has disclosed that it is negotiating a debt restructuring with its bankers, after reporting a net loss of U.S $148.2m or U.S. $3.31 a share for the first nine months of this year. In the comparable period, Nu-West, Canada's biggest housebuilder, earned a profit of $12.3m or 13 cents a share. Revenue of $683m this time compared with $663.5m a year earlier.

The Calgary-based group, which has been selling assets this year as sagging property values and high interest rates have cut into profitability, played a role in the battle for control of Cities Service, the U.S. oil group, in 1981, when it sold back to Cities Service, the 7.2 per cent stake it beld at that time.

Nu-West said its loss for the first nine months of this year was caused by "high interest and carrying costs," as well as by the slumping real estate market. The board added that over the period, it had sold about $330m of assets in its programme to reduce real estate assets and debt.

The company said that in the nine months it had sold 4,029 housing units compared with 4,968 in last year's nine-month period.

In May this year, Nu-West surprised the Canadian stock markets with its $200m sale of a 20 per cent stake in TransAlta Utilities, which is controlled by Atco, Canada's manufacturer of prefabricated buildings, and a company which Nu-West once aspired to control.

The sale of the stake in Trans Alta disturbed the stock market because, until shortly before the announcement of the sale, Nu-West bad appeared bent on increasing its bolding in the company. The president of Nu-West admitted In May that the company expected to record a loss of "possibly $15m" on the deal.

Veba profits fall to DM 675m as margins come under pressure

BY OUR FRANKFURT STAFF

VEBA, the chemicals and trading group which is West Germany's biggest industrial concern, suffered a 8.2 per cent drop in pre-tax profits to DM 675m ($273m) in the first nine months of the year. Profit margins in the chemicals and oil divisions were under particularly heavy pressure. Sales were virtually unchanged at DM 36.2bn.

The electricity supply division, which generates most of the group's profits, improved its financial performance modestly in the first nine months with an 11.6 per cent rise in sales revenue.

Falling demand for other energy forms is reflected clearly in a 6.7 per cent fall in lignite production, a drop of 35.4 per cent in natural gas output and a decline of 48.5 per cent in crude oil production (including oil purchases in Libya).

The amount of crude oil processed in Veba refineries dropped by 12.4 per cent in the January-September period to 7.7m tonnes, but as a result of refinery closures crude oil processing plants worked at 65 per cent of capacity compared with 61 per cent a year earlier.

Volume sales of oil products fell by 4.1 per cent to 9.47m tonnes while the volume of chemicals sales dropped by 10.5 per cent to 3.3m tonnes.

Veba chemicals plants were working at still lower capacities in the third quarter of the year and short-time working has been introduced in several areas.

The group has started cutting the workforce in its most labour-intensive divisions significantly, chemicals and trading. The chemicals workforce has fallen by 3.9 per cent to 22,741 and the trading division's workforce by 3.2 per cent to 20,345 since the beginning of the year. The total workforce has declined by 1.8 per cent to 81,445.

Preussag achieves only 2.2% sales rise in first nine months

BY KEVIN DONE IN FRANKFURT

PREUSSAG, the West German metals, energy and transport group, achieved a nominal increase of 2.2 per cent in group sales in the first nine months of 1982 to DM 2.94bn ($1.2bn) against a background of falling profitability.

Profits are under pressure in particular because of falling non-ferrous metal prices and the group is still not certain that it can hold last year's dividend level of DM 8 per share in 1982.

The sales of its metals division dropped by 7.2 per cent to DM 811m, while those of the transport division increased by 17 per cent to DM 480.2m.

Crude oil production – chiefly in the Federal Republic – fell by 2.5 per cent to 348,235 tonnes while coal output stagnated at 1.6m tonnes. With falling demand for coal, stocks grew by 8.5 per cent to 1.49m tonnes in the third quarter.

Sales of the oil and chemicals division rose by 3.4 per cent to DM 810.4m and those of the coal operations grew marginally to DM 646.3m.

According to Dr Günther Sassmannshausen, chief executive, Preussag was satisfied with its profitability "given the bad economic situation."

The group was holding to its strategy of expanding its overseas mining involvement through joint ventures, minority shareholdings or takeovers and of expanding its energy activities.

French group in U.S. venture

BY DAVID MARSH IN PARIS

ACB, the specialist engineering division of the French state-controlled Alsthom-Atlantique group, has set up a joint U.S. subsidiary with the Murdock group of California in a bid to sell its materials processing technology on the American market.

The subsidiary being set up is only a very small one and as yet has no orders, Alsthom said yesterday. It said, however, that the move would help ACB – Ateliers et Chantiers de Bretagne – to move into the important U.S. market for stretch-drawing presses, used particularly by the aircraft manufacturing industry based in the western states.

ACB gave up its former ship-building activities two years ago because of the decline in the French ship construction sector. It now concentrates on areas such as off-shore drilling technology, equipment for the agro-food business and nuclear engineering.

The accord with Murdock, based in Compton, near Los Angeles, will also enable ACB to use the U.S. company's technology on the French market to make specialist presses.

Asthom is controlled by CGE, the electrical conglomerate taken over by the Government in this year's nationalisation moves.

American Can completes PennCorp deal

By Our Financial Staff

AMERICAN CAN, the leading U.S. manufacturer of metal cans, has completed a major extension of its financial services division with the $295m purchase of PennCorp Financial, a life, accident and health insurance company. The acquisition will double the size of American Can's insurance operations.

Last year, PennCorp earned $23.7m from continuing operations on revenues of $330m.

American Can, based in Greenwich, Connecticut, earned $77m in 1981, on revenues of $4.8bn.

The group still takes the bulk of its profits from packaging operations, although the consumer side brings in about a third of the total. The group has been expanding rapidly in the insurance field: last month it paid $152m cash for Transport Life Insurance and earlier this year it bought Associated Madison, a mass marketer of insurance services, for about $127m.

AT & T share sale could gross $1.09bn

BY PAUL TAYLOR IN NEW YORK

THE LATEST mammoth share issue from American Telephone and Telegraph (AT & T) which has already been increased in size from 15m to 18.5m shares seemed yesterday to be heading for the record books.

The company has retained the option to issue a further 1.5m shares should the offering be oversubscribed, in which case the gross proceeds at $60 a share would be $1.09bn.

That would exceed the current record $1.03bn AT & T offering in June last year of 18.15m shares at $57 each.

By midday yesterday Morgan Stanley, one of the co-managers of the issue, bad made no decision on whether to activate the additional share offering.

The issue has been handled through a syndicate of 233 underwriters and the gross spread is 1.35 cents a share. This is in contrast to the company's most recent issue in August which was made under the so-called self-registration rule and which involved a handful of underwriters.

While that offering was put together in a matter of hours and sold almost entirely to institutions, the latest AT & T offering has taken more than a week to reach the markets and is being sold through the brokers' retail distribution system.

Aid for Belgian offshoot of Saint Gobain

THE NATIONALISED Saint-Gobain industrial group is planning a massive investment programme to aid its ailing glassmaking subsidiary in Belgium.

The decision follows an agreement with former shareholders that allows a Belgian court to lift its order sequestering Saint-Gobian's shares in Glaceries Saint-Roche.

The court order followed a complaint from shareholders who are dissatisfied with the price set by the French Government for buying out private shares. They argued that France's nationalisation of Saint-Gobain did not apply to foreign holdings.

Saint-Gobain holds a 51 per cent stake in Saint-Roche. AP-DJ

STET expects to double profits

BY JAMES BUXTON IN ROME

STET, the Italian state-controlled holding company which is responsible both for making telecommunications equipment and running Italy's telephone services, expects to double its profits this year.

It should earn between L70bn and L80bn ($49m-$63m), against a profit of L35bn last year, according to Sig Michele Principe, the company's managing director. In 1979 and 1980, the company made losses totalling L924bn.

Sig Principe sees the turnround in the finances of STET, part of the IRI group, as a sign that the national strategy of improving telecommunications services and developing an advanced telecommunications industry is beginning to work.

The biggest single cause of the improvement in STET's finances is the turnround which has been achieved at SIP, the subsidiary which handles the majority of Italy's telephone system. Thanks to the easing of a Government-imposed block on tariff increases, the injection of new funds and certain other financial provisions, SIP made L225bn profit last year against a loss of L538bn in 1980. This year the company is expected to earn about L200bn.

Sig Principe said that SIP's tariffs will have risen by about nine per cent this year against an inflation rate of 17 per cent, with the gap being filled by increased productivity. "But there is still a long way to go," he said.

While the telecommunications services side of STET is improving, the manufacturing side is still in serious difficulties. Despite a vigorous recovery effort, Italtel, Italy's main manufacturer of telephones and exchanges, will lose at least L120bn this year.

This, however, is a marked improvement on last year's loss of L266bn on sales of L704bn, and is due to improved productivity, staff cuts and reorganisation under Sra Marisa Bellisario, its managing director. Earlier this year, she said she hoped to get losses for 1982 down to about L100bn.

SGS-ATES, Italy's only manufacturer of semi-conductors, is expecting increased losses of L55bn this year, against L37.2bn in 1981, according to Sig Principe. He attributed part of this loss to the fact that government financial assistance for this sector had only recently been paid.

Capital increases are in the course of being implemented for STET (from L1,320bn to L2,040bn), SIP (from L1,680bn to L2,030bn) and Italtel (from L142.5bn to L265.5bn).

Sig Principe said that there was no question of dividing STET into two sub-holdings as has been mooted, or even splitting it altogether, in order to separate the service companies from the manufacturing side. He argues that, if anything, there is a need for even closer co-operation between the two sectors.

"They cooperate via this holding company," he said. "I have to mediate between them, without favouring one or the other."

On the services side, negotiations are still going on in an attempt to work out a better relationship between SIP and ASST, an agency run by the Ministry of Posts which handles trunk calls and whose operations often overlap with those of SIP. The need for a new arrangement has become more urgent because of the impending introduction of new services such as Videotel and Teletext.

A government decision last March divided responsibility for the new services between the two organisations, and ordered them to agree on the details of a new relationship by the end of the year.

That deadline is now certain to be missed, and SIP is pressing to have total management responsibility for all telecommunications services.

INTERNATIONAL COMPANIES and FINANCE

Underwriters to get Itel stock in settlement plan

BY PAUL TAYLOR IN NEW YORK

ITEL, the U.S. transport and computer leasing company, has agreed in principle a $40m settlement ending a three-year law suit by shareholders, bringing it a step closer to financial reorganisation.

The agreement could also leave Lloyd's of London insurance underwriters with a stake in the reorganised company.

Itel has been fighting for survival since it filed for protection under Section 11 of the U.S. bankruptcy code in January 1981.

The San Francisco-based company filed for protection after its computer leasing business collapsed, leaving it with millions of dollars in claims against Lloyd's underwriters.

The company said that under a proposed settlement of shareholder claims, it would be responsible for $5.42m of the settlement. Other defendants in the class action, including Lloyd's, will be responsible for the remainder.

The agreement also provides for Itel to issue 25,000 of its new preferred stock to Lloyd's underwriters who provided its officers' and directors' liability insurance when its reorganisation is approved. If the plan is rejected Itel has agreed to pay $1.25m to the insurance carriers in lieu of stock.

The settlement covers claims by shareholders who bought securities from the company between May 1977 and December 1979. The shareholders, in 13 different court actions consolidated into a class action, had alleged that the company, former officers and directors, its former accountants and underwriters broke various federal and state securities and other laws.

Itel said yesterday that all the defendants had agreed to the settlement, subject to court approval.

MacMillan Bloedel cautious on future

By Robert Gibbens in Montreal

THE WORLD recession continues to have a disastrous effect on the western Canada forests products industry. MacMillan Bloedel, the largest west coast producer, is making further cuts to protect its cashflow.

Despite a slight firming in lumber prices in the west of Canada, it sees no real improvement in the market until well into next year.

Overhead costs have been reduced by about 35 per cent in the past 18 months, but "consumption of funds projected through 1983 is still too large."

The workforce has been cut by about 3,000 since mid-1981, to just under 20,000, and about 6,500 have been laid off.

MacMillan said the Scandinavian producers, following the devaluations of their respective national currencies, were forcing down European pulp prices and endangering the north American share of the market. Canadian lumber exports to the U.S. were threatened by Congressional pressure for a U.S. countervailing duty.

● Massey-Ferguson, the troubled Canadian farm equipment group, now expects to complete a refinancing deal with its 200-member banking group by early next year instead of by the end of November as previously announced.

The group reports that progress is being made, but complex amendments to existing terms is taking longer than expected. An agreement in principle was reached in September, which will save Massey U.S.$600m over a period of years.

Sanwa Bank $50m issue well received

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE FLOW of new issues in the Eurodollar bond market continued yesterday with a $50m, seven-year issue for Sanwa Bank. This was despite continued sluggish conditions in the secondary market.

The Sanwa issue, which is led by Morgan Stanley, Baring Brothers and the borrower itself, bears a coupon of 11⅞ per cent and issue price 99⅝. The bonds, which are callable after four years at 101, were last night trading at a discount of about 1⅝ per cent, indicating a better reception than that seen on some other recent issues.

In general, secondary market prices for Eurodollar bonds were slightly firmer yesterday, with some house again reporting moderate retail investor demand for cheaper-priced paper. Average gains were about ¼ point in the day while six-month Eurodollar deposits held steady at 10⅜ per cent.

The $200m, 12-year bond for the EEC launched on Tuesday night with a coupon of 11⅞ per cent by European Banking Company traded at a discount of 1⅝ point under official dealing yesterday.

A rather firmer tone was reported on the German bond market amid some expectations of lower interest rates and demand from investors wishing to reinvest interest income due early this month.

With the postponement of two Japanese issues this week, the German market is also enjoying a much-needed breathing space.

In Switzerland Ferrovie dello Stato, the Italian state railway, is raising a minimum of SwFr 70m through a combination of floating-rate notes and fixed-rate bonds led by the investment house, Soditic.

Lloyds Bank is expected today to launch a $100m, 12-year 11⅝ per cent bond at par through its subsidiary, Lloyds Bank International, and Morgan Guaranty. The bonds will be offered in partly paid form.

Lloyds intends to swap the debt with floating rate obligations of another, unspecified borrower.

Pan Am pilots agree new concessions

By Our New York Staff

PAN AMERICAN World Airways has agreed to a two-year labour contract with its 1,702 pilots which the troubled airline said would save it $98m in 1983.

As well as extending a wage freeze imposed in the autumn of 1981, the new contract incorporates significant modifications in the pilots' work rules, and a provision under which pay increases will, for the first time, be related to profitability.

Mr Edward Acker Pan Am's chairman and chief executive, said yesterday that flight crews had again been willing to make sacrifices to return the company to financial stability.

Canadian challenge to Bell restructuring

BY OUR MONTREAL CORRESPONDENT

BELL CANADA, the eastern Canada telephone utility, says its corporate restructuring, approved by stockholders last August, will now be delayed until well into next year because of a Federal Government legal challenge.

It has asked all shareholders — well over 200,000 — to contact their members of Parliament and express their support for the restructuring of the company, which is part of the reshaping of the U.S. Bell telephone system.

Bell Canada had hoped to complete the restructuring by the year-end, but the Government intervened on the grounds that it might affect regulated telephone charges. It ordered the Canadian Radio-Television and Telecommunications Commission, the regulatory authority, to hold public hearings.

Bell proposes to set up Bell Canada Enterprises (BCE), an umbrella holding company, to own the regulated telephone business, Bell Canada, and separately, interests in its non-regulated equipment manufacturing and foreign contracting businesses.

The object was to separate regulated from non-regulated earnings. Bell Canada stockholders were to swap their shares for BCE shares and would have the same dividend rights.

Bell argues that the plan will not affect telephone charges and says it will fight vigorously the legal challenge from the Federal Government.

Bethmann sells more shares

BY STEWART FLEMING IN FRANKFURT

THE BAYERISCHE Vereinsbank, West Germany's fifth largest commercial bank, is expanding its retail banking interests in the Frankfurt area through the acquisition of a further 40 per cent of the equity of the private Bankhaus Bethmann.

In 1976, Bayerische Vereinsbank acquired a 50 per cent holding in the Bethmann bank, which currently has total balance sheet assets of DM 850m ($344m).

Bayerische Vereinsbank (BV) said yesterday that it was increasing its holding at the request of the family owners of Bethmann. They want to spread their assets over a broader range of investments than a bank which, by the nature of the business, needs regular injections of new capital to maintain its equity base.

The move by BV fits into the company's business strategy of expanding its operations over the whole of West Germany, broadening out from its base in Bavaria.

With the acquisition, BV takes 90 per cent control of a network of eight branches serving a wealthy customer base. It is intended that the bank will continue to operate under the Bethmann name.

North American Quarterly Results

AM INTERNATIONAL		
First quarter	1982/83 $	1981/82 $
Revenue	134.9m	150.7m
Net profits	†2.6m	†15.64m
Net per share	†0.46	†1.85

† Loss

HAWKER SIDDELEY CANADA		
Nine months	1982 C$	1981 C$
Revenue	335.5m	519m
Net profits	8.50m	24.71m
Net per share	0.98	2.96

HOLLINGER ARGUS		
Nine months	1982 C$	1981 C$
Revenue	49.5m	74.4m
Net profits	13.2m	18.1m
Net per share	2.27	3.06

IVACO		
Third quarter	1982 $	1981 $
Revenue	171.1m	191.0m
Net profits	†2.00m	5.46m
Net per share	†0.34	0.48

† Loss

LEVITZ FURNITURE		
Third Quarter	1982/83 $	1981/82 $
Revenue	124.0m	120.8m
Net profits	2.95m	2.21m
Net per share	0.72	0.52
Nine months		
Revenue	345.8m	363.3m
Net profits	3.69m	6.23m
Net per share	0.91	1.47

PEABODY INTERNATIONAL		
Fourth quarter	1981/82 $	1980/81 $
Revenue	126.9m	109.3m
Net profits	1.29m	†139,000
Net per share	0.12	†0.01
Year		
Revenue	465.8m	417.2m
Net profits	5.09m	14.83m
Net per share	0.47	1.34

† Loss

REXNORD		
Fourth quarter	1981/82 $	1980/81 $
Revenue	215.3m	278.8m
Net profits	3.04m	8.14m
Net per share	0.25	0.41
Year		
Revenue	936.6m	1.13bn
Net profits	7.16m	38.55m
Net per share	0.35	1.92

SYNTEX CORPORATION		
First quarter	1982/83 $	1981/82 $
Revenue	213.3m	195.2m
Net profits	34.20m	32.05m
Net per share	1.00	0.92

VONTOBEL EUROBONDINDIZES
WEIGHTED AVERAGE YIELDS
PER NOVEMBER 30 1982

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	12.46	12.42	15.62	12.42
DM (Foreign Bond Issues)	8.53	8.53	9.75	8.49
HFL (Bearer Notes)	8.67	8.77	10.86	8.67
Can$ Eurobonds	14.03	14.07	17.47	14.03

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FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday *of each month. The following are closing prices for December 1.*

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 88/97	150	107¾	108¼	0	−0⅛	11.81
Amex O/S Fin 14¼ 89	75	106⅝	107⅛	+0⅛	+0⅛	12.57
Amro Bank 13 89	200	101⅝	102⅛	+0⅛	+0¼	12.57
BHP Finance 14¾ 89	150	104¼	104¾	−0⅛	−0⅛	13.80
Bk America NT & SA 12 87	200	100¼	100¾	−0⅛	−0¾	11.80
Bk Montreal 14½ 87	100†	104¼	104¾	+0⅛	+0¼	13.08
Bque Indo Suez 15 89	100	105⅜	105⅞	+0⅛	−1⅛	13.58
British Col Hyd 14¾ 89	200	108½	109	+0⅛	+0⅛	12.83
British Col Hyd 15⅛ 92	150	112¾	113¼	+0⅛	0	12.79
Canada 14⅜ 87	750	108⅝	109⅛	+0⅛	−0⅛	11.65
Canadair Ltd 12½ 89	175	101⅞	102⅜	0	−0⅛	12.03
Canadian Wheat 11¼ 89	50	97⅜	97⅞	+0¼	0	11.72
Can Pac Sec 14⅝ 92	75	106½	107	+0⅛	−0⅛	13.28
Can Pac Sec 15 89	75	104⅞	105⅜	+0⅛	+0¼	13.74
Citicorp O/S 15 84/92	100	104¾	105¼	0	+0⅛	13.74
Coca Cola Int 11¾ 89	100	102⅝	103⅛	+0⅛	+0⅛	11.11
Deutsche Bk Fin 14¼ 89	300	105⅜	105⅞	+0½	+0⅛	12.88
Du Pont 11¼ 86	150	97⅜	98⅜	−0⅛	−0½	11.53
Du Pont 14⅛ 89 WW	200	106⅝	107⅛	+0⅛	0	12.52
E.D.C. 10¾ 88	100	96½	97	+0⅛	0	11.61
E.D.F. 12¾ 87	150	100⅜	100⅞	+0⅛	−0⅛	12.56
E.I.B. 15½ 92	100	109⅜	109⅞	+0⅛	−0⅛	13.89
Ekspertfinans 14½ 89	50	104⅜	104⅞	+0⅛	−0⅛	13.33
Exp Dev Corp 11¾ 87	100	99⅝	100⅛	+0⅛	−0¼	11.74
Forsmarks 13¾ 92	75	102¼	102¾	+0½	−0⅛	13.28
Gaz de France 12¾ 92	175	99	99½	0	−0⅛	12.35
Gen Elec Credit 12 89	100	103¾	104¼	0	−0¼	11.12
Getty Oil Int 14 89	125	105¼	105¾	+0⅛	0	12.65
GMAC O/S Fin 15 87	100	105⅝	106⅛	0	−0½	13.26
GMAC O/S Fin 15 89	125	106½	107	+0⅛	−0⅛	13.92
Gulf Oil Fin 12¼ 87	100	102	102½	0	−0⅛	11.59
IBM World Trade 12¼ 92	200	105	105½	+0⅛	−0½	11.32
Manitoba Prov 11¾ 89	125	100⅝	101⅛	+0⅛	+0⅛	11.53
Manitoba Prov 13¾ 89	100	104⅝	105⅛	+0⅛	−0⅛	12.82
Midland Int Fin 11½ 92	150	97½	98	+0⅛	−0⅛	11.90
Nat West Fin 11¾ 92	150	99	99½	0	−0⅛	11.87
New Brunswick 15⅛ 87	75	107⅝	108⅛	+0½	+0⅛	12.81
Newfoundland 15½ 89	75	107⅜	107⅞	+0½	+0⅛	13.79
Nova Scotia Prv 15⅛ 89	75	110⅛	110⅝	+0⅛	+0⅛	12.98
Ontario Hydro 12⅜ 92	200	102⅝	103⅛	+0⅛	−0⅛	12.22
Ontario Hydro 14⅜ 89	150	108½	109	+0⅛	+0⅛	12.63
Ontario Hydro 15 92	150	111¾	112¼	+0⅛	0	12.74
Phillips Petrol 14 89	200	108⅛	108⅝	+0⅛	+0⅛	12.45
Prudential O/S 12⅜ 87	150	103⅛	103⅝	+0⅛	−0½	11.70
R. J. Reynolds 12⅜ 89	100	102⅝	103⅛	0	+0⅛	12.09
Saskatchewan Prov 15 92	150	109⅝	110⅛	+0⅛	+0⅛	13.06
Shell Canada 14½ 92	125	106⅜	106⅞	0	−0½	13.07
Superior O/S Fin 14 89	125	105⅜	105⅞	+0⅛	+0⅛	12.63
Swed Exp Credit 14⅜ 90	100	104⅝	105⅛	0	−0½	13.52
Texas Eastern 15⅜ 89	60†	109	109½	−0⅛	−0⅛	13.47
U.B.S. 10⅝ 87	200	99⅝	100⅛	+0⅛	+0⅛	10.71
U.B.S. 11 89	150	100	100½	0	0	10.94
Walt Disney Pro 12½ 89	75	102	102½	−0⅛	−0⅛	11.94
World Bank 13¼ 87	300	103⅝	104⅛	+0⅛	−0½	12.11
World Bank 15 87	250	109⅛	109⅝	+0⅛	−0⅛	12.10
World Bank 15 88	150	109⅜	109⅞	+0⅛	−0⅛	12.48
Xerox Fin 14 87 WW	100†	103¾	104¼	−0⅛	−0⅛	12.77

Av. price changes: on day −⅛, on week −⅛

DEUTSCHE MARK STRAIGHTS

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Av. price changes: on day [illegible], on week [illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Av. price changes: on day [illegible], on week [illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Issued	Bid	Offer	Change on day	Change on week	Yield
New Zealand 8⅜ 87	15	101¾	102¼	+0⅛	−0⅛	7.91
World Bank 8⅜ 92	20	101⅞	102⅜	+0⅛	−0⅛	8.01

Av. price changes: on day −⅛, on week −⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	110	110½	−1¼	−2	14.45
Can Utilities 17 87 C$	35†	111½	112½	0	0	13.94
Gaz de France 15 88 C$	75†	104½	105	+0¼	+0½	13.88
Gaz Metro 17¼ 90 C$	20†	106½	107	−0⅛	−0⅛	15.67
O.K.B. 16¼ 88 C$	83†	108⅝	108¾	−0⅛	−0⅛	[illegible]
Quebec Hydro 14 92 C$	60†	105	105¾	−0⅛	+0⅛	[illegible]
Univ Quebec 16⅝ 07 C$	17†	103	103½	−0⅛	−0⅛	[illegible]
E.I.B. 12⅜ 90 Eua	50	102¾	103¾	0	−0¼	12.28
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Av. price changes: on day [illegible], on week [illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: [illegible]

Floating Rate Notes: [illegible]

Convertible bonds: [illegible]

Trading profits surge at ICA

By Lachlan Drummond in Sydney

THE UPSURGE in power station construction in Australia gave a sharp boost to turnover and trading profits at International Combustion Australia in the year to September 30.

However, higher interest rates and increased debt taken on to finance the growth in business limited the gain at the net level to 11 per cent from A$5.36m (U.S.$5.04m) to A$5.94m.

Turnover jumped by 41 per cent to A$133.3m and trading profits rose by more than a third to A$16.4m from A$11.96m.

The net profit margin was trimmed back to 3.6 per cent from 4.4 per cent because of higher charges. Depreciation rose to A$1.67m from A$1.26m and tax increased to A$5.39m from A$4.15m.

Interest charges rose to A$2.84m from A$822,000, reflecting a A$11m convertible note issue made late in the previous financial year plus additional debts taken on this year.

International Combustion, which is 20 per cent owned by Combustion Engineering of the U.S., is the Australian leader in the design, manufacture and construction of power station boiler systems. The company's major contracts include the Eraring and Wallerawang projects in New South Wales and Loy Yang in Victoria. It recently won a A$300m contract to design and construct boilers for the second phase of the Loy Yang project.

The annual dividend has been raised from 23 cents to 25 cents a share with a 2 cents increase in the final payment to 15 cents. The per share profits were 54.5 cents against 49.2 cents previously.

Interest rates hit Fedfood earnings

BY OUR JOHANNESBURG CORRESPONDENT

FEDFOOD, the diversified South African food company, suffered from a deteriorating trading and economic climate in the six months ended September 30.

While first-half turnover rose by 17.8 per cent to R313m ($274m) from R265m, operating income before tax and interest payments rose by only 2.7 per cent to R19.5m from R19m. In the year ended March 31 last, turnover was R551m and operating income R39.3m.

Management attributes the slow operating income advance to the fact that certain divisions suffered setbacks because of significant cost increases when competition for market share intensified.

The whitefish division, in particular, reported a loss due to the cost of commissioning new trawlers. In addition there were poor contributions by the wheat milling and bakery divisions as a result of inadequate permitted margins.

Higher interest rates and an increase in the group's debt resulted in the first half interest bill increasing to R9.8m from R4.2m, compared with R10.9m for the year ended March. As a result, first half pre-tax profits of R9.8m were 33.8 per cent lower than the R14.8m of last year's corresponding period. The year to March 31 1982 saw a pre-tax profit of R28.4m.

Management believes that the economic downturn will worsen in the current six months, but the effect on Fedfood's results should be mitigated by beneficial seasonal trading factors and lower interest rates. Nevertheless the directors say it will be difficult to attain the attributable income achieved in the previous financial year.

An interim dividend of 12 cents a share has been declared from first half earnings of 23 cents a share. Last year's interim was 16 cents and first-half earnings 37 cents a share. A total dividend of 36 cents a share was paid from earnings of 83 cents for the year ended March 31 1982.

Israeli share issues tax plan

BY L. DANIEL IN TEL AVIV

A 2 per cent tax on oversubscriptions for new share issues has been proposed to the Knesset (parliament) by the Israeli Government.

This second move to try to dampen down stock market activity follows the Treasury's imposition this summer of a 2 per cent tax on all sales of stocks and bonds.

The volume of share trading has risen sharply as investors have switched out of other markets and many share issues have been 30 to 40 times subscribed.

Under the proposed tax, investors will be charged a 2 per cent tax on the difference in value between their application for and allotment of shares.

Meanwhile, Bank Hapoalim, the country's second largest banking group, said its share issue which closed on Tuesday was only 5.4 times subscribed. The issue, which will raise Sh 2.7bn ($85m) is one of several by Israeli banks which are taking advantage of the recent lifting of a one-year freeze on new bank issues.

● Alliance Tire and Rubber, the country's only tyre producer, has reported a loss of Sh 54.4m ($1.8m) for the first nine months compared with a net profit of Sh 14.2m a year earlier. The setback was caused by a 246 per cent increase in finance charges to Sh 256m. Sales doubled to Sh 1.5bn from Sh 680.5m, although inflation ran at 100 per cent rate in the period.

New Japanese body to assess country risks

TOKYO—Private Japanese financial institutions are moving to inaugurate a research centre by next summer to gather various kinds of information needed to assess country risks related to investment and loans abroad.

Promoting the plan are the Bank of Tokyo, Sumitomo Trust and Banking and Nippon Life Insurance. The project will be joined by other major banks, life insurance, non-life insurance companies and securities firms, the Bank of Tokyo said.

Tentatively named the Country Risk Information Center, the research body will be financed by member companies and will gather political and economic information from foreign countries as well as data and statistics from international organisations such as the International Monetary Fund.

Country risk is a barometer for rating the creditworthiness of fund-borrowing countries in terms of their political and economic conditions.

Attention has been increasingly paid to country risks against the backdrop of the internationally unstable monetary situation.

Kyodo

Bahrain finds adviser on SE

AN AMERICAN lawyer is expected to be appointed next week as consultant to Bahrain's Ministry of Commerce on the establishment of a stock exchange on the island.

Terms are being negotiated with Mr Terence C. Reilly, special counsel to Coudert Brothers, a prominent U.S. legal firm which has been represented in Bahrain for the past three years.

As an independent consultant or in association with International Finance Corporation, an affiliate of the World Bank, Mr Reilly has advised Jordan, Egypt, Turkey, Cyprus plus countries outside the Middle East on the development of local capital markets.

A committee drawn from representatives of the Bahrain Monetary Agency, the Ministry of Finance and the Ministry of Commerce has been discussing regulation of the local stock market for some time.

It is hoped to set up an official stock exchange by the end of next year. Initially it will list the 18 local public joint stock companies and the 13 offshore public companies incorporated in Bahrain, although other Gulf companies may qualify under conditions to be determined.

INTERNATIONAL APPOINTMENTS

President for Marsh and McLennan Inc.

● Mr Bruce W. Schnitzer has been named president and chief operating officer of MARSH AND MCLENNAN INC, the insurance brokerage and risk management subsidiary of Marsh and McLennan Companies Inc. Mr Robert Clements has been named vice chairman of Marsh and McLennan Inc.

Mr Schnitzer has been vice president and chief financial officer of Marsh and McLennan Companies since he joined the company in 1977. He is a member of the board of Marsh and McLennan Companies and its major subsidiaries.

Mr Clements has been president of Marsh and McLennan Inc since 1980. He is also a member of the board of Marsh and McLennan Companies. Both appointments are effective on January 1.

● Mr J. J. Gronis, deputy chairman of the board of managing directors of NEDERLANDSCHE MIDDENSTANDSBANK N.V. in Amsterdam, is to retire on February 1. He will be succeeded by Mr G. J. Tammes, who has been a member of the board since 1976.

● Mr Jack D. Tinkler has been elected vice-president for engineering and technology of OCCIDENTAL PETROLEUM CORP. He will also be responsible for the corporate effort in environment, health and safety. Dr Tinkler was vice-president, engineering, at Occidental Chemical Corp. Previously, he served as senior vice-president and vice-president of engineering for the corporation in Irvine, California.

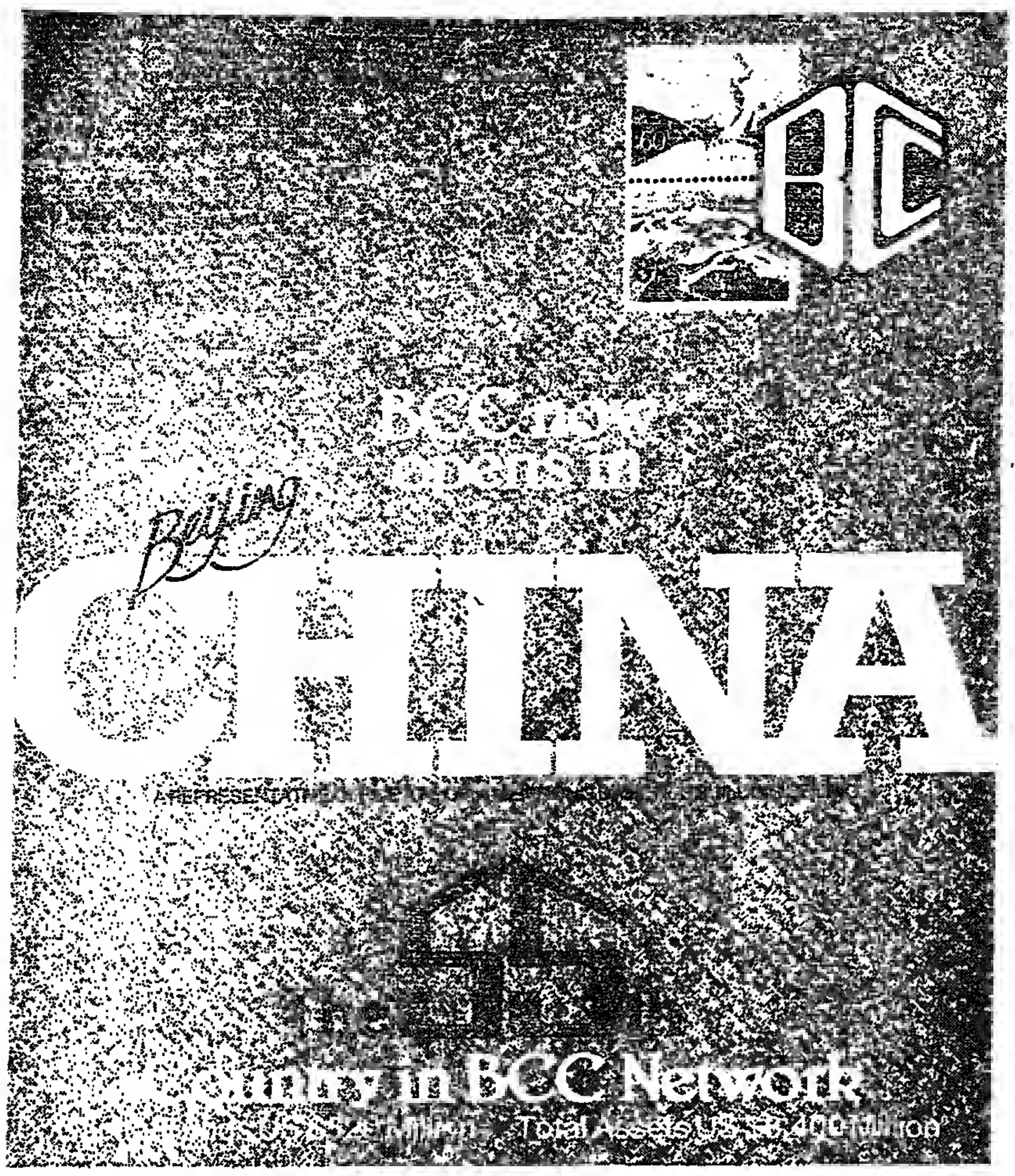
● Mr Robert H. Compton has been promoted to administrative vice-president and general counsel of ASHLAND PETROLEUM COMPANY, Kentucky, with responsibility for all law, human resources, safety, health and environmental protection and management engineering functions of the division.

● Mr C. M. Grau, president of AGRICO INTERNATIONAL COMPANY, Oklahoma, has resigned from January 1 to become president of the PHOSPHATE CHEMICALS EXPORT ASSOCIATION, INC. Mr R. B. (Bob) Gwyn will become president of Agrico International Company in his place in addition to his responsibilities as president of Agrico Mining Company. He will also be responsible for the operations of Agrico Overseas Company, SA, and Agrico Overseas Investment Crpn.

● Dr Ernst Thomke has been appointed to the management committee of ASUAG, the Swiss watch industry group, with responsibility for the movements sector. Mr Hans Sommer has assumed responsibility for the components sector. Dr Ulrich H. Fuenfschilling, manager of the Swiss Bank Corp, has been made a member of the company's steering committee.

● Sir Russel Madigan has retired from executive duties at CRA. He continues as a non-executive director and the deputy chairman. He also remains a director of the Rio Tinto-Zinc Corp.

● Mr Wallace B. Behnke Jr, vice-chairman of the board of Commonwealth Edison Company, has been elected chairman and chief executive officer of the ATOMIC INDUSTRIAL FORUM, an international association of about 600 organisations interested in the peaceful uses of nuclear energy.



Louise Kehoe looks at the way land is becoming scarcer and costs are rising in the birthplace of the semiconductor chip industry

Silicon Valley bursts its seams

SILICON VALLEY is known the world over as the birthplace of the semiconductor chip industry. It is, however, becoming increasingly inhibitive for established companies to expand there, and they are looking elsewhere.

The Valley is an ill-defined region in Northern California, about an hour's drive south of San Francisco, which has become famous for its ability to spawn high technology companies. It is still the incubator of hundreds of new ventures, some of which can be expected to become as successful as others before them. But costs there are high.

For the past three years, the industry which Silicon Valley represents has been generating one in every five new jobs in the U.S., adding them at a rate of 50,000 a year, and employment projections suggest that this growth will continue as a broad trend. The projections may not, however, make themselves felt fully in California—as more and more high technology jobs are created outside Silicon Valley.

Now, California has opened a drive to dissuade electronics concerns from taking their growth plans out of California altogether—to other U.S. states and abroad.

A Cal/Site Expo was staged last week with the aim of bringing land developers together with companies looking for sites.

The state hopes to attract industrialists to the growth opportunities in less built-up parts of California, some of which have severe unemployment problems.

Their efforts, however, may be too little and too late. In the past two years, some of Silicon Valley's biggest employers have opened manufacturing plants in Arizona, New Mexico and Texas.

Ironically, California's push to maintain a paternalistic hold over the semiconductor industry comes at a time when its offspring is hit by the worst recession in its brief history—when expansion, with the creation of new jobs, is for the moment unthinkable, when redundancies, salary cuts and short-work weeks are the order of the day.

Silicon Valley has special attributes that have helped to make it the most concentrated centre of electronics industry in the world. Not the least of these is the local availability of venture capital. There is also the intangible factor that the place is regarded as "fun to work in." For an electronics engineer, Silicon Valley represents a kind of Mecca.

"A special kind of technological ferment exists here. The closeness of other electronics companies and some very fine universities have produced a business climate where innovation flourishes," says Mr John Young, president of Hewlett-Packard, one of the oldest Silicon Valley concerns.

On the other hand, there are electronics executives such as the new inhabitants of San Antonio, Texas, and other blossoming sites, who like to compare notes on housing costs with their colleagues back in California.

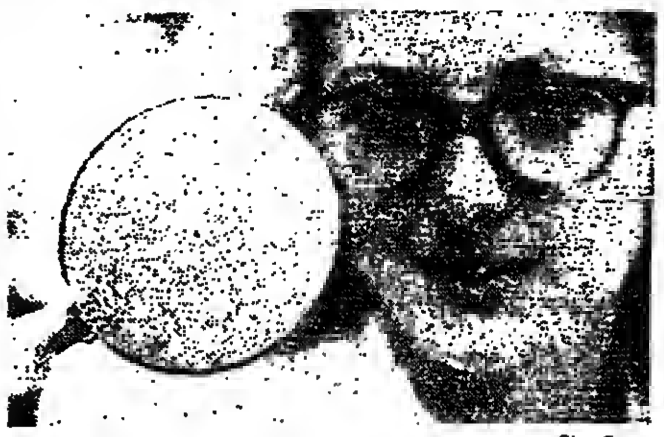
"The challenge California faces is how to accommodate the growth of a healthy and vital industry," comments Mr Young.

To other states, faced with the problems of decaying industries and plant closures, California's "challenge" may sound attractive. It is, however, no small problem.

Last year, sales of U.S. electronics companies topped $100bn. Worldwide sales of electronics concerns were $200bn, making it the ninth largest industry in the world. By the end of this decade, electronics is expected to become the fourth largest industry.

Currently, California produces almost one-third of the U.S. output of electronic equipment — more than any other state. Some 400,000 Californians are employed in electronics, and they earn $6bn in wages each year. California does not expect, or want, to contain all of the industry's growth, but it wants its fair share, says Ms Melinda C. Luedtke, director of the Department of Economic and Business Development.

"I know electronics companies would like to continue to grow here in California," Mr Young told an audience of state legislators recently, "but I am not sure they will be able to. Many of these firms, Hewlett-Packard included, are directing the bulk of their manufacturing growth outside the state."



Glyn Genin

Several hundred semiconductor chips on one wafer made by National Semiconductor at Santa Clara

Silicon Valley, itself, has a fundamental problem of space. The Valley is situated at the southern end of the San Francisco peninsula, with the San Francisco Bay on one side, and the Pacific Ocean on the other. Santa Clara, a city in the centre of Silicon Valley, estimates for example that it has only 10 per cent of its land left undeveloped.

The Valley's housing costs, industrial land costs and wages are all among the highest in the U.S. "This cost pressure has already had a substantial effect in moving basic manufacturing operations out of California. In contrast, we retain marked advantages for new ventures, headquarters, research and development facilities and advanced manufacturing plants due to a highly skilled labour force, a strong university system, financial centres and a basic transportation network," California Governor Edmund G. Brown, said in his "Industrial Strategy for the Eighties" report earlier this year.

California is now facing increased competition from other states of the U.S. and from foreign countries that are seeking to attract the electronics industry.

Alabama, Arizona, North and South Carolina and Florida are among the many states that have sent high-powered delegations of state officials to California to talk to the electronics industry about locating factories in their states. They offer financial incentives such as tax moratoriums, loans and grants.

California has no intention of trying to match these subsidies, says Ms Luedtke. Instead, California is concentrating its efforts on one of the major problems of the electronics industry—a shortage of skilled people.

The shortfall of electronics engineers, however, has been exacerbated in California by competition between companies that regularly raid each other's personnel. Companies such as Intel now tend to locate their most important research and development projects well away from Silicon Valley—where their top engineers will be less likely to be tempted by competitors.

"The electronics industry is not only dynamic, it is extremely mobile," Mr Young warned the Californians. "It doesn't need to be near any particular customers or suppliers. Its markets are worldwide. Nor are there any geographic constraints on its manufacturing facilities. We don't need to be near any particular natural resources, because our prime ingredient is the creativity of people."

To cater for the European market, however, Hewlett-Packard and most of its Silicon Valley neighbours have set up manufacturing plants in Europe. Competition among European countries and regions seeking to attract the electronics industry is also intense. Among the most successful of the efforts to court the fancy of the electronics industry is that of Ireland.

The Irish Development Authority represents Ireland as the "Silicon Valley of Europe" in television and radio advertisements as well as on billboards alongside the crowded freeways of Silicon Valley.

Malaysian rubber prices fall

● MALAYSIAN rubber prices slipped in Kuala Lumpur yesterday to the lowest for six years at 183.5 cents per kilo, before closing at 184c. Dealers attributed the fall to lack of support and added that International Natural Rubber Organisation buffer stock purchases of lower grades were failing to check a steady slide. The buffer stock manager has bought between 240,000 and 250,000 tonnes since November 1981 to defend depressed prices.

● EVERY FAMILY in Britain pays out £5 a week to support the country's biggest lame duck industry—agriculture, according to a book by a British MP, published yesterday. Agriculture, the Triumph and the Shame, by Mr Richard Body, claims the rest of British industry has been starved of £40bn worth of capital (at current values) over the last 26 years so that inefficient farmers could be propped up. Land, labour and energy has also been forced into misuse by agricultural protection, the book says.

● VEGETARIANS plan to picket next week's Royal Smithfield Show, the main shop-window of Britain's livestock industry. The picket is being organised by the Vegetarian Society of the UK in protest at the mutilations and stress and pain it claims are inflicted on animals intended for slaughter.

● THE SCOTTISH Milk Marketing Board has changed accounting and pricing practices in its artificial insemination service following complaints to the Office of Fair Trading that it practised discriminatory pricing and subsidised AI charges out of cevenue from other operations.

● CHICAGO Board of Trade will begin trading in unleaded gasoline futureo on the morning of December 7. The contract was approved by the CFTC on May 25 1982.

Speculators boost copper

BY OUR COMMODITIES EDITOR

COPPER PRICES rose to the highest level this year on the London Metal Exchange yesterday. The high grade cash price closed £13.25 up at £915 and three months quotation £13 higher at £925.75 a tonne.

Traders said that speculative buying interest was increased by the three months quotation breaking through a significant chart buying point. The upward trend was encouraged by the continued rise on the New York copper market and the move by most U.S. producers to follow the lead set by Kennecott in raising their domestic selling prices by 3 cents to 71 cents a pound.

The easier trend in gold in late dealings, and some trade selling and profit taking, brought the market back from the highs but sentiment remains fairly bullish.

An important background influence is the fact that the gap between the cash price and three months quotation has narrowed again following more buying by the group that took up large quantities of physical copper last month.

There is a feeling that there may be another attempt, possibly by producer interests, to "squeeze" the market again by reducing immediately available supplies.

Other base-metal markets showed little change, although buffer stock support buying helped steady tin values. Speculative buying also brought cash nickel over the £2,000-a-tonne mark again.

The early rise in gold boosted silver and free-market platinum. The London bullion spot price for silver was marked up by 30.25p to 621.15p a troy ounce at the morning fixing. Free market platinum closed only £1.75 up at £229.4 a troy ounce, however.

Reuter reported from Lagos that Indonesia, Thailand and Malaysia are trying to narrow their differences over the terms of the proposed Tin Producers Association.

Indonesian mining and energy minister Mr Subroto said proposals made by his country and Thailand are just amendments to a Malaysian proposal presented at a meeting of the three Asian nations in Bangkok last August.

A senior Nigerian official said his own country has an open mind on the proposed pact but added the three Asian countries forging it will need to convince other members of the benefits of joining a body outside the better-tested International Tin Agreement.

Jamaica signs bauxite deal

BY CANUTE JAMES IN KINGSTON

JAMAICA is to sell the USSR 1m tonnes of bauxite ore per year for seven years starting in 1984.

The two countries agreed to scrap an earlier controversial deal for the sale of 250,000 tonnes of alumina per year for seven years, also starting in 1984. Mr Edward Seaga, the Prime Minister, has described the alumina deal as a case of Jamaica subsidising the Soviet Union.

The seven-year contract is expected to earn the island $20m, while the alumina sale would have earned $16m, Mr Seaga said. A preliminary shipment of 200,000 tonnes of ore is to be made to the USSR in 1983.

The new contract will bring some limited relief to Jamaica's depressed mining sector, which next year is expected to export 6.6m tonnes, 2m tonnes less than this year, and just over a half of last year's production.

Brussels sales trim sugar values

BY RICHARD MOONEY

EEC SUGAR export authorisations at yesterday's weekly Brussels tender were maintained at around last week's reduced level. Licences were granted on 54,500 tonnes of white sugar compared with 55,750 tonnes last week. Earlier in the season weekly autborisations had been running in the 70,000 to 80,000 tonnes range.

Nevertheless, yesterday's licence total was at the upper end of the range suggested by traders and world prices eased a little as a result. In the morning the London daily raw sugar price was fixed £2 higher at £111 a tonne but the March position on the London futures market ended the day £1.65 down at £126.20 a tonne.

Background tone in the world sugar market remains "bearish" with supplies still running well ahead of demand. The U.S. Department of Agriculture (USDA) has predicted that world stocks will reach a record 41.7m tonnes by the end of the 1982-83 season, representing nearly six months' consumption. A carryover equal to about three months' consumption is regarded as normal.

Export shipments from Cuba reached 6.75m tonnes (raw value) by the end of August against 5.36m at the same point last year, according to statistics published by the International Sugar Organisation (ISO) yesterday. Cuban exports to the Soviet Union were up from 3m tonnes to 4.33m.

Small cocoa surplus forecast

By Our Commodities Staff

WORLD COCOA production in the 1982-83 season is likely to exceed demand by only about 12,000 tonnes, the smallest surplus since the 1978-79 season, London merchants Gill and Duffus say in their first estimate of this season's supply balance, published today. The 1981-82 surplus is estimated at 111,000 tonnes, the highest since 1964-1965.

The net world crop is put at 1.61m tonnes in 1982-83, down from 1.685m in 1981-82. The fall is due to a sharply lower forecast for the Ivory Coast because of irregular rainfall this year. The main crop is put at 320,000 tonnes, down from 405,000 tonnes in 1981-82.

"It is possible that the extent of damage done to the Ivory Coast crops has not yet been fully appreciated in the market," the report says. "With cocoa arriving in Abidjan in quantities well ahead of last year, it may be difficult to accept the prospect of a crop well down on last season. When those arrivals begin to fall away sharply—as we believe they will—a general lowering of crop expectations may be prompted."

While the world crop is expected to be lower Gill and Duffus expects last year's decline in seasonal cocoa bean grindings to be reversed. It predicts grindings at 1.597m tonnes, which would be an all-time high.

The surplus prediction is described in the report as "uncertain." It admits that the figure is based on the assumption that the "tragic decline in Ghanaian production will not turn into a collapse," while "many people entertain exactly that fear."

It also assumes average mid-crops in 1983, but warns that it would be unwise to place too much reliance on that assumption.

EEC fish policy

No sacrifice for Denmark

BY JOHN WYLES IN BRUSSELS

The European Commission yesterday mounted a modest propaganda ploy by publishing figures indicating that Denmark would be making virtually no sacrifice by dropping its objections to the proposed Common Fisheries Policy.

With half an eye on the discussion at the two-day EEC summit opening in Copenhagen tomorrow, the Commission has produced the accompanying table showing the quotas which will be applied by the Nine other member states if Denmark does not agree to the CFP by the end of the year.

If Denmark does climb down, the Nine are prepared to adopt a CFP with slightly better quotas for the Danes which would largely eliminate the 0.04 per cent fall in their share of the total catch compared with the 1973-78 base period.

So far, the Danes have been sticking out for substantially increased quotas but Mr Poul Schluter, the Danish premier who is hosting tomorrow's summit, will be told by his fellow heads of government that there is no chance of an improvement on the informal Commission proposal which slightly improves on the figures in the table.

Both the Commission and other EEC governments believe that the Danish administration, and its social democratic predecessor which resigned in September, have done a poor job in selling the relative advantages of the package to Danish fishing industry and domestic public opinion.

Denmark has scheduled another meeting of EEC fisheries ministers on December 21 and its partners hope that Copenhagen will bow to political logic and sign up on the CFP before the December 31 deadline.

Total catches of cod, haddock, saithe, whiting, redfish, plaice and mackerel by member states (in tonnes cod equivalent) (% shares in brackets)

	Average 1973-78	Proposal	Difference
Belgium	28,833 (1.89)	28,896 (2.06)	+13 (+ 0.17)
Denmark	360,934 (23.56)	330,487 (23.52)	−30,447 (− 0.04)
France	211,023 (13.78)	182,733 (13.00)	−28,290 (− 0.78)
Germany	250,476 (16.36)	192,103 (13.67)	−58,372 (− 2.69)
Ireland	22,846 (1.49)	60,707 (4.32)	+37,861 (+ 2.83)
Netherlands	106,501 (6.95)	100,708 (7.17)	− 5,793 (+ 0.22)
UK	550,789 (35.97)	509,624 (36.27)	−41,165 (+ 0.30)
EEC	1,531,452	1,405,260	−126,192

EEC attacked at wheat pact talks

BY JOHN EDWARDS, COMMODITIES EDITOR

THE INTERNATIONAL Wheat Council yesterday formally approved the extension of the International Wheat Agreement for three years, after the present pact expires next June.

But there was an unusual note of discord at this week's talks. A spillover of bitterness from the dispute over agricultural issues at last week's GATT conference in Geneva brought some aggressive speeches at the Wheat Council meeting from several countries and raised the spectre of a grain trade war developing.

In a clear attack on the European Community, Mr Richard Smith, of the U.S. Department of Agriculture, warned the Council that it would be a mistake to underestimate the political will in the U.S. to resolve the use of export subsidies in international agricultural trade. He said the U.S. would do everything to remain competitive.

"We are not going to allow export subsidies, used to unfairly compete with us, without our taking the necessary actions to meet this unfair competition," Mr Smith declared.

Delegates from the EEC, which received the brunt of attacks from several other countries too, claimed that the U.S. had already started subsidising grain exports. Its blended credit programme, under which developing countries can import agricultural commodities at reduced interest rates, had helped the U.S. make inroads into traditional EEC markets, they noted.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 1 1982	+ or —	Month ago
Metals			
Aluminium	£810/810	.....	£810/815
Free Mkt.	$960/990	.....	$950/980
Copper			
Cash h grade	£915	+10.25	£904.75
3 mths	£925.70	+10	£900.25
Cash Cathode	£868.5	+10	£844
3 mths	£890.75	+11.25	£865
Gold troy oz	$435.5	−6.5	$430.5
Lead Cash	£283.25	−1.25	£287.25
3 mths	£293.75	−1	£296.75
Nickel	£4133.6	.....	£4133.6
Free mkt	140/170c	.....	135/185c
Platin'm troy oz	£260	.....	£260
Freemkt	£229.40	+1.75	£214.50
Quicksilver†	$355/365	.....	$360/370
Silver troy oz	621.15p	+30.25	621.45p
3 mths	630.65p	+31.30	633.80p
Tin Cash	£7280	+22.5	£7385
3 mths	£7277.5	+12.0	£7389
Tungsten	$108.59	.....	$101.18
Wolfrm 22.04 lb	$80-84	.....	$82/86
Zinc Cash	£429	−2.5	£442.5
3 mths	£436.75	−1.0	£450.75
Producers	$800/850	.....	$800/850

	Dec. 1 1982	+ or —	Month ago
Oils			
Coconut (Phil)	$425x	.....	$410
Groundnut	$460y	.....	$470
Linseed Crude	‡	.....	£330
Palm Malayan	$370x	.....	$365
Seeds			
Copra Philip	$285y	−5	$270
Soyabean (U.S.)	$240x	+2.5	$227.5
Grains			
Barley Fut. Mar	£114.60	+0.05	£111.65
Maize	£142.00x	.....	£136.00
Wheat Fut. Mar	£116.50	−0.15	£116.20
No. 2 Hard Wint	‡	.....	‡
Other commodities			
Cocoa ship't*	£1056	+5	£944
Future Mar	£1005.5	+6	£921.5
Coffee Ft' Mar	£1656.5	18—	£1465
Cotton A Index	68.60c	+0.85	69.45c
Gas Oil Jan	$278.0	−6.75	$302
Rubber (kilo)	49p	.....	47.75p
Sugar (Raw)	£111yz	+2	£99
Wool'ps 64s kl.	375p kilo	.....	382p kilo

‡ Unquoted. x Dec. z Jan. y Nov-Dec. w Dec-Jan. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	30.00-30.10	—
Iranian Light	29.00	—
Arabian Heavy	27.50-28.50	—
North Sea (Forties)	31.00-31.50	—
African (Bonny Li'ht)	31.65-33.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	295-300	−0.5
Gas oil	285-295	+3.0
Heavy fuel oil	159-163	−1.0

GAS OIL FUTURES

The market opened steadier despite a weak New York close. Buying from European traders following steady indications in the physical market and a weaker dollar caused prices to rally briefly. Heavy U.S. commission house selling pushed the market down and arbitrage selling put further pressure on prices, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec.	283.50	−6.50	291.50-82.00
Jan.	278.50	−6.75	287.75-77.75
Feb.	274.50	−0.50	285.50-75.50
March	268.50	−0.00	277.75-67.75
April	263.00	−7.00	271.50-65.00
May	260.00	−5.00	265.50-55.00
June	260.00	−0.00	260.00
July	260.00	−2.00	266.00
Aug.	262.50	—	—

Turnover: 4,309 (4,580) lots of 100 tonnes.

GOLD MARKETS

Gold fell $2½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $435-436. The metal opened at $441¼-442¼ and rose to a best level of $442½-443½ but lack of follow through prompted a weaker trend in the afternoon and it finished at its lowest level of the day.

In Frankfurt the 12½ kilo bar was fixed at DM 34,895 per kilo ($442.00 per ounce) against DM 34,485 ($430.00) previously and closed at $439¼-440¼ from $434½-436.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $440.0 from $429.0.

In Paris the 12½ kilo bar was fixed at FFr 98,100 per kilo ($438.53 per ounce) in the afternoon compared with FFr 98,250 ($440.01) in the morning and FFr 93,600 ($406.28) on Tuesday afternoon.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
December	405.00-6.00	−1.000	440.00-37.0
January	438.00-40.0	−1.800	—
February	441.50-1.75	−2.400	448.20-41.2
March	444.50-5.00	−1.650	455.00-50.8
April	448.00-8.75	−2.000	455.00-48.5
May	401.00-2.00	−2.750	—
June	454.00-7.00	−1.750	461.50

Turnover: 1,738 (683) lots of 100 troy ounces.

	Dec. 1		Nov. 30	
Gold Bullion (fine ounce)				
Close	$435-436	(£267-267½)	$437½-438½	(£270-270½)
Opening	$441¼-442¼	(£270¼-270¾)	$429-429	(£265-265½)
Morning fixing	$440	(£269.245)	$428.25	(£265.746)
Afternoon fixing	$440.25	(£269.728)	$436	(£269.886)

Gold Coins Dec. 1

Krugrnd	$446½-447½	(£274-274¾)	King Sov	$103-104	(£63¼-63¾)
½ Krug	$230-231	(£141¼-141¾)	Victoria Sov	$103-104	(£63¼-63¾)
¼ Krug	$117¼-118¼	(£72-72½)	French 20s	$91-93½	(£56¼-57¼)
1/10 Krug	$48-48	(£29½-30)	50 pesos Mex	$522½-538½	(£323½-325¾)
Mapleleaf	$446½-448	(£274-275)	100 Cor. Aust	$428-432	(£262¾-265¼)
New Sov	$102-102¾	(£62½-63)	$20 Eagles	$480-490	(£294¾-300¾)
½ New Sov	$60¼-82¼	(£37-38¼)			

EUROPEAN MARKETS

ROTTERDAM, December 1.

Wheat—(U.S. $ per tonne): U.S. No. 2 Dark Hard Winter 13 per cent Jan 188. U.S. No. 2 Red Winter mid-Dec/Jan 10 155, Jan 156, Feb 159, March 161. U.S. No. 3 Amber Durum Dec 183, April-May 183. U.S. No. 2 Northern Spring 14 per cent Dec 182, Jan 185, Feb 185.50, March 188.50. Canadian Western Red Spring afloat 185, April-May 204.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow Dec 117.50, Jan 117.50, Feb 118, March 119, April-June 119, July-Sept 121.75, Oct-Dec 124.75 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow Gulfports Dec 234, Jan 235, Feb 238, March 240, April 241, May 242.50, June 244, July 245, Aug 246, Oct 238.25, Nov 238.25 sellers. Argentine June 238.20, July 238.20 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 218, Nov 218-218.50 traded; afloat 220, Nov 219, Dec 220, Jan 221, Jan-March 221.50, April-Sept 218 sellers. Pellets Brazil afloat 225 traded; afloat 228, Nov 231, Dec 231, Jan 236.50, Feb 241, March 235.50, Jan-March 236.50, April-Sept 228 sellers.

PARIS, Dec 1.

Cocoa—(FFr per 100 kg): Dec 1085-1090, March 1162-1160, May 1170-1195, July 1200-1220, Sept 1235-1250, Dec 1270-1290, March 1316-1335. Sales at call: 4.

Sugar—(FFr per tonne): March 1682-1685, May 1725-1735, July 1755-1765, Aug 1804-1811, Oct 1847-1852, Nov 1840-1850, Dec 1900-1925, March 1985-2015. Sales at call: Nil.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER GAINED further ground on the London Metal Exchange as chartist buying, speculative buying and a strong opening on Comex saw forward metal move ahead to £930. However, profit-taking and the late downturn in gold caused a reaction to £921 by the close of the late Kerb. Buffer stock support coupled with stop-loss buying lifted forward Tin to £7,295, before a close of £7,285. American selling unsettled Lead which closed at £293.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	917-.5	+28.5	914.5-5.5	+13.2
3 months	925-.5	+20.2	925.5-6	+15
Settlem't	917.5	+28.6	—	.....
Cathodes				
Cash	868-70	+18.2	868-9	+10
3 months	891.5-2	+18	890.5-1	+11.2
Settlem't	870	+18.5	—	.....
U.S. Prod.	—	—	*68-72	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £916.00, 17.50, three months £924.00, 24.50, 25.00, 26.00, 26.50, 27.00, 26.50, 26.00, 25.50. Cathodes, cash £870.00, three months £892.00, 92.50, 92.00. Kerb: Higher Grade, three months £926.50, 26.00. Afternoon: Higher Grade, three months £928.00, 27.50, 28.00, 27.50, 27.00, 26.00, 25.50, 26.00. Cathodes, three months £891.00. Kerb: Higher Grade, three months £924.00, 24.50, 24.00, 23.00, 22.00, 22.50, 23.00, 22.00, 21.00. Turnover: 27,075 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	7260-70	+20	7275-85	+62.5
3 months	7255-60	+6	7275-80	+12.5
Settlem't	7265	+25	—	.....
Standard				
Cash	7258-62	+18.5	7275-85	+62.5
3 months	7255-60	+8	7270-80	+12.5
Settlem't	7268	+22	—	.....
Straits E.	‡29.10	.....	—	.....
New York				

Tin — Morning: Standard, three months £7,260, 65, 60, 62, 60, 55. Kerb: Standard: Three months £7,260. Afternoon: Standard, cash £7,280, three months £7,260, 70, 75, 80. Kerb: Standard, three months £7,280, 85, 90, 95, 90, 85. Turnover: 4,010 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	284.5-5	+5	283-.5	−1.25
3 months	295.5-.5	+0.5	293.5-4	−1
Settlem't	285	+5	—	.....
U.S. Spot	—	.....	*23-28	.....

Lead—Morning: Cash £285.00, 84.75, three months £296.00, 95.00. Kerb: Three months £295. Afternoon: Three months £294.50, 94.00, 93.50. Kerb: Three months £293.50, 93.00. Turnover: 6,925 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	430-1	+2.75	428.5-9.5	−2.5
3 months	438-.5	+4	435.5-7	−1.5
Settlem't	431	+5	—	.....
Prim'w'ts		.....	*38.0-42.75	.....

Zinc—Morning: Cash £430.5, three months £437.00, 38.00. Kerb: Cash £430.00, three months £438.00, 37.50. Afternoon: Three months £438.00, 37.00, 38.50. Kerb: Three months £438.00. Turnover: 8,050 tonnes.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	599-600	+1.75	595-8	.....
3 months	617-.5	+1.5	615-.6	.....

Aluminium—Morning: Three months £617.00, 17.50. Kerb: Three months £617.50. Afternoon: Three months £618.00, 17.50, 17.00, 18.50. Kerb: Three months £616.00, 15.50. Turnover: 11,125 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2016-20	+30	2015-25	+22.5
3 months	2040-50	+28.5	2050-2	+16

Nickel — Morning: Three months £2,055, 45. Kerb: Three months £2,045. Afternoon: Three months £2,050, 55, 62. Kerb: Three months £2,060. Turnover: 528 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 30.25p an ounce higher for spot delivery in the London bullion market yesterday at 621.15p. U.S. equivalents of the fixing levels were: spot $10.14, up 60c; three-month $10.34, up 62.3c; six-month $10.618, up 62.3c; and 12-month $11.20, up 67c. The metal opened at 621-624p ($10.14-$10.15) and closed at 620-624p ($10.10-$10.15).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	621.15p	+30.2	621p	+18.5
3 months	635.65p	+31.8	635.25p	+20.1
6 months	649.40p	+30.7	—	.....
12 months	682.50p	+31.9	—	.....

LME—Turnover: 114 (120) lots of 10,000 ozs. Morning: Three months 634.0, 33.5, 34.0, 34.6, 35.5, 35.0, 34.5, 34.0, 33.5, 34.0. Kerb: Three months 634.5, 35.0. Afternoon: Three months 637.0, 36.5, 37.0, 37.5, 37.0, 36.5, 36.0, 35.0. Kerb: Three months 635.5, 35.0, 32.5, 32.0, 33.0, 33.5, 34.0, 35.0.

COCOA

Futures opened steadier than expected and maintained their gains throughout the day. Modest sales from the Ivory Coast and Brazil were absorbed by jobber and commission house short-covering, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec.	998-01	+2.5	1004-99
March	1005-06	+0.0	1012-96
May	1021-22	+2.0	1008-10
July	1037-38	+0.5	1044-37
Sept.	1053-55	+0.0	1060-03
Dec.	1078-79	+0.5	1084-79
March	1097-98	+3.5	1101-00

Sales: 2,049 (2,250) lots of 10 tonnes.

ICCO—Daily price for Dec 1: 72.28 (71.70). Indicator price for Dec 2: 71.03 (70.81).

COFFEE

London opened slightly easier reflecting a lower New York close and steadier sterling, reports Drexel Burnham Lambert. The decline accelerated on trade selling in a thin market, although values recovered slightly later.

COFFEE	Yest'day's Close	+ or —	Business Done
January	1663-65	−15.5	1682-58
March	1655-58	−18.0	1674-55
May	1473-75	−24.5	1492-70
July	1416-18	−17.5	1435-10
Sept.	1348-50	−24.0	1366-40
Nov.	1300-10	−17.5	1317-15
January	1260-80	—	—

Sales: 2,689 (3,221) lots of 5 tonnes.

ICO Indicator price for Nov 30 (U.S. cents per pound): Comp. daily 1979 132.58 (133.73): 15-day average 121.16 (130.80).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Jan.	116.25	−0.20	112.30	+0.10
Mar.	118.50	−0.15	114.60	+0.05
May	121.50	−0.06	117.20	−0.05
July	124.95	−0.05	—	—
Sep.	113.35	+0.16	108.25	+0.15
Nov.	116.26	—	111.25	—

Business done—Wheat: Jan 116.55-6.25, March 118.80-8.50, May 121.60-1.50, July 124.25 only, Sept 113.35 only, Nov untraded. Sales: 93 lots of 100 tonnes. Barley: Jan 112.35-2.30, March 114.65-4.55, May 117.20 only, Sept 108.25 only, Nov 111.15 only. Sales: lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Jan 123.75, Feb 125.00, March 126.25 transhipment East Coast sellers. English Feed fob Dec 120.50, Jan 121.25 East Coast sellers. Maize: French Dec 142.00 transhipment East Coast sellers. S. African White-Yellow Dec-Jan 86.00 sellers. Barley: English Feed fob Jan 118.00, April 120.25 East Coast sellers. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 110.10, E. Midlands 111.00, N. East 111.00, Scotland 107.80. The UK monetary coefficient for the week beginning Monday December 6 is expected to change to 0.949.

POTATOES

Further selling due to the PMB report brought all positions under pressure. Stabilising took place around £96 basis April and £103 basis May, but there was a slightly easier tone at the close, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb.	76.50	80.40	79.00-76.50
April	95.70	100.80	97.50-95.50
May	102.40	106.00	105.00-101.5
Nov.	57.80	58.00	58.00
Feb.	70.20	73.00	73.00

Turnover: 950 (1,060) lots of 40 tonnes.

RUBBER

The London physical market opened easier, attracted little interest throughout the day and closed dull. Lewis and Peat reported a December fob price for No. 1 RSS in Kuala Lumpur of 184.0 (same) cents a kg and SMR 20 168.0 (168.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
Jan	49.00-49.70	49.50-49.50	49.00-48.86
Feb	49.60-49.80	49.80-50.00	49.70-49.40
Jan-Mar	49.90-49.90	49.90-49.90	49.50-49.50
Apl-Jne	52.10-52.40	52.50-52.40	52.40-52.20
Jly-Sept	54.60-54.70	54.50-54.60	54.50-54.50
Oct-Dec	56.80-57.00	56.70-56.95	56.90-56.80
Jan-Mch	59.10-58.20	58.20-58.00	—
Apl-Jne	61.50-61.65	61.40-61.50	61.60-61.40
Jly-Sept	64.00-[illegible]	65.80-66.90	—

Sales: 504 (858) lots of 15 tonnes; 69 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 49.00p (same); Jan 53.00p (same); Feb 53.50p (same).

INDICES

FINANCIAL TIMES

Nov. 30	Nov. 29	M'th ago	Y'ar ago
232.01	232.20	228.03	247.51

(Base: July 1 1952 = 100)

REUTERS

Dec. 1	Nov. 30	M'th ago	Y'ar ago
1577.1	1574.5	1516.8	1612.1

(Base: September 18 1931 = 100)

MOODY'S

Nov. 30	Nov. 29	M'th ago	Y'ar ago
985.6	985.0	976.5	965.1

(December 31 1931 = 100)

DOW JONES

Dow Jones	Nov. 30	Nov. 29	Month ago	Year ago
Spot	101.05	130.89	127.07	—
Fut's	137.77	130.08	135.21	—

(Base: December 31 1974 = 100)

SOYABEAN MEAL

The market opened unchanged on stronger sterling, reports T. G. Roddick. Prices remained under pressure on commission house selling to close on the lows.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec.	137.00-41.0	−0.25	
Feb.	181.00-41.1	−0.20	141.50-40.40
April	140.00-40.5	−0.36	141.00-40.50
June	150.10-38.5	−0.25	150.00-38.50
August	150.00-38.5	−0.25	139.50
October	156.00-38.5	−0.10	
Dec.	155.00-42.0	−1.50	

Sales: 181 (579) lots of 100 tonnes.

SOYABEAN OIL—The market opened $2.00-3.00 higher in thin conditions but eased in lacklustre trade to close mixed. Close (U.S. $ per tonne): Dec 407, 412, 410-409; Feb 421, 424, 424; April 430, 431, untraded; June 434, 437, 437; Aug 433, 445, untraded; Oct 436, 455, untraded; Dec 440, 460, untraded. Sales: 13 (17) lots of 25 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £111.00 (£109.00) a tonne cif Nov-Dec-Jan shipment. White sugar daily price £183.00 (£145.00).

Prices initially rallied but substantial trade selling developed which found few takers, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
Jan.	118.80-24.50	121.00-23.50	—
March	125.15-25.25	127.80-27.90	129.50-25.90
May	130.20-30.35	131.75-31.85	133.50-29.80
Aug.	134.50-35.00	136.00-36.50	136.00-34.50
Oct.	140.00-40.10	141.50-41.60	143.00-46.00
Dec.	145.00-45.00	146.50-47.00	145.60
March	149.00-52.00	149.50-50.00	—

Sales: 5,457 (4,740) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £216.50 (£214.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Nov 30: Daily price 7.03 (0.70): 15-day delivery 6.89 (6.46).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 422 tonnes. After virtual stagnation, the market erupted into activity, business being on a much broader scale. Operations were the largest for just over a month, and coincided with increase demand for a wide variety of American type growths.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 348, 351, nil; Jan 355, 358, 357-356; March 368, 371, 370-369; May 379, 386, 379-377; Aug 395, 397, 397-395; Oct 399, 403, 400-397; Dec 403, 407, 402-401; Jan 406, 412, 404-403; March 412, 416, 414-410; May 418, 422, 418-416. Sales: 283.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 506.2, 509.5, 510.0-507.0; March 528.5, 525.0, 523.8; May 538.0, 539.5, 538.0-537.0; July 549.0, 551.0, 549.0-548.5; Oct 533.5, 540.0, 534.5-533.5; Dec 538.0, 540.0, 537.0-538.0; March 543.0, 552.0, untraded; May 549.0, 560.0, untraded. Sales: 67.

*

HIDES—Leeds: Second clears. Ox: 31-35.5 kg, 63.2p a kg withdrawn (62.6p); 26-30.5 kg, 71.4p a kg (69.7p); 22-25.5 kg, 80.5p a kg withdrawn (80.5p). Light cows: 25.5 kg, 72.7p a kg (69.6p).

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 82.0 to 87.3; Ulster hindquarters 100.5 to 102.8, forequarters 62.0 to 65.8. Veal: Dutch hinds and ends 138.5 to 143.0. Lamb: English small 66.0 to 69.5, medium 65.5 to 68.5, heavy 62.0 to 54.0; Scottish heavy 59.5 to 61.5; Imported: New Zealand PL 50.5 to 51.5, PX 47.5 to 48.5, YL 48.0 to 50.0. Pork: English, under 100 lb 39.0 to 53.0, 100-120 lb 45.0 to 52.0, 120-160 lb 39.5 to 49.0.

MEAT COMMISSION—Average livestock prices at representative markets. GB—Cattle 100.17p per kg lw (+1.45). GB—Sheep 146.54p per kg est dcw (+0.81). GB—Pigs 71.45p per kg lw (0.66).

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.50-6.50, codlings £3.00-4.00, large haddock £3.60-4.50, medium £3.00-4.00, small £1.40-2.00; medium plaice £4.60-5.60, best small £4.20-5.20; skinned dogfish, medium £8.00; lemon sole, medium £13.00; rockfish £2.40-3.40, reds £1.00; saithe £1.80-2.60.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Satsumas — Spania: 10 kg 3.20-3.80. Oranges—Outspan: Valencia Lates 60 5.20, 48 5.70, 56 6.00, 72 3.60, 88 3.20, 112 2.25, 138 3.00, 150 3.00. Navelinas Spania: 5.00-5.50. Lemons—Turkish: 80/150 3.50-4.00. Cyprus: 0 kg 3.30-3.30; Spania: tray 5 kg 25/50 1.60-2.40. Grapefruit — Cyprus: 32/55 3.50-4.50; Jaffa: 36/54 4.80-5.50, Ruby 4.80-5.60; Cuban: White 2.50; Honduran: Ruby 4.00-4.60, White 3.30-4.00; U.S.: Ruby 36/40 8.00. Clementines—Spania: 3.00-4.00; Moroccan: 3.20-4.20. Apples—French: Golden Delicious 18 kg 4.50-5.20, 9 kg 2.40-3.00, Starkcrimson 18 kg 4.00-6.00, Granny Smith 18 kg 4.80-5.50, 9 kg 2.60-3.00; U.S.: Red Delicious 13.00-14.00; Canadian: 11.00-12.60; Hungarian: Starking 18 kg 4.50. Pears—Dutch: Comice 14 lb 3.00, Conference 15 kg 6.00-6.20; Italian: Williams per pound 0.17-0.20. Grapes — Italian: Italia 5 kg 2.50-3.50; Spanish: Almeria 1.80-2.60, Napoleon 2.40-3.00, Italia 3.20-3.50. Strawberries—New Zealand: 8 oz 1.20; S. African: 8 oz 0.80-1.00; Mexican: 0.30; Kenyan: 8 oz 0.60. Peaches—S. African: 18/28 3.50-5.50. Zimbabwe: 3.50-4.60. Nectarines—Chilean: 70s 17.50. Apricots—S. African: A/C 11 lb 7.70-10.00. Cherries—S. African: per pound 0.80-1.00. Melons—Spanish: Yellow 10 kg 3.50-4.50, Green 10 kg 3.60-4.50; Brazilian: Yellow 10 kg 5.00-6.50. Pineapples—Ivory Coast: 20s 0.35, 12'C 0.00, 12'B 0.75, 8s 1.00; Kenyan: each 1.50-1.60; S. African: 5/7 5.00-7.50. Bananas—Colombian: 40-lb boxes 8.00-8.50. Avocados—U.S.: 8.50-7.00; Israeli: 3.20-3.80; Canary: 3.50-3.60. Pawpaws—Brazilian: 5.50-6.00; Hawaiian 7.20. Kiwifruit — New Zealand: 8.50-9.00. Mangoes — Brazilian: 5.00; Kenyan 5.00. Persimmons—Italian: 2.50-3.00. Prickly Pears—Italian: 2.00. Litchees—S. African: per pound 0.80-1.00. Figs—Turkish: 48s 9.00-0.60. Honey Figs—Turkish: 24s 7.20. Tomatoes—Spanish: 6 kg 3.40-3.80; Moroccan: 3.50; Canary: 3.20-4.20. Lettuces—Dutch: 24s 3.00, 12s 2.40. Webb's 3.60-3.80. Celery—Israeli: 20s 4.60. Calabrese—Italian: 11 lb 4.00; Jersey: 15 lb 4.50. Asparagus—S. African: per pound 1.50-1.80, New Zealand, per pound 1.40-1.80; Australian: 1.50, Chilean, 1.80. Artichokes—French: x 24 10.80. Spanish: 24 6.00. Aubergines—Canary: 6 kg 4.50-5.50, Kenyan 5.00, Cypriot: 4.50. Onions—Spanish, Grano 2.60-4.80, Polish 2.50. Capsicums—Dutch: 5 kg Green 5.20-6.00, Red 6.00-6.60, Yellow 7.60; Canary: Green 3.40-3.60. Cabbages—Dutch: Red 2.80-2.80, White 2.60-2.80. Fennel—Italian: 18 lb 4.00. Courgettes—French 5 kg 2.60-3.50; Kenyan 6.1; 2.80 Cypriot 6.10 2.40-2.80. Cucumbers—Canary: 1.80-2.80. Spanish: 1.60-2.20, Dutch 3.60. Chicory—Belgian: 5 lb 2.00. Potatoes—Jersey: per pound Royals, ware 0.20. Italian: 20 lb 3.80-4.00; Cypriot: 44 lb bags 5.20, 27½-lb boxes 5.40. Cauliflowers—Jersey: 16s 6.50, 24s 9.00, 12s 7.00-30s 0.00. Endive—French: 4.20-4.80.

AMERICAN MARKETS

NEW YORK, December 1.

Gold prices were under pressure from profit-taking and light speculative selling as the market failed to penetrate critical technical levels and the continental currencies, a usual support of gold prices, were featureless. Silver closed slightly higher in choppy trade as speculative buying based on favourable chart patterns provided steady support. Copper was slightly lower after early gains as weakness in sterling attracted good arbitrage selling and commission house profit-taking. Cotton finished higher on moderate trade interest although early good gains did not hold. Coffee prices closed lower with most of the pressure concentrated in the nearby months; trade buying was absent as dealers currently have heavier than normal inventories and New York warehouses carry large quantities of coffee waiting for certification. Cocoa closed on the highs on concern about the lower prospective yields in West Africa. Heating oil prices steadily eroded as demand lagged in relation to available supplies and the London market price broke to lower levels. Grains and soyabeans also finished lower on further deliveries against the December future and on a weakness in basis; local and professional selling put the markets on the defensive late in the day, reported Heinold.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	1419	1420	1390	1385
March	1615	1515	1471	1464
May	1555	1565	1520	1507
July	1600	1600	1551	1541
Sept	1594	1598	1589	1575
Dec	1650	1650	1635	1617

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	136.40	136.10	135.60	136.66
March	135.93	136.85	135.45	136.08
May	131.83	132.00	131.25	131.78
July	127.95	128.00	127.50	128.06
Sept	124.00	125.00	124.00	125.13
Dec	122.70	122.25	121.60	123.25
March	120.20	120.60	120.10	120.75

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Dec	65.60	67.30	66.50	66.10
Jan	56.40	67.35	66.66	66.75
Feb	67.05	—	—	67.60
March	67.70	69.10	67.35	68.00
May	58.70	70.05	68.40	68.90
July	89.70	70.60	89.30	58.75
Sept	70.65	71.70	70.30	70.60
Dec	72.05	73.00	71.70	72.00
March	73.45	74.40	73.25	73.60
May	74.40	75.10	74.20	74.35

COTTON 50,000 lb, cents/lb

	Latest	High	Low	Prev
Dec	62.70	62.85	61.95	62.18
March	65.50	65.56	65.15	66.35
May	66.85	66.98	66.47	66.62
July	67.60	67.75	67.40	67.45
Oct	66.70	66.70	66.50	66.20
Dec	66.87	67.95	66.52	66.70

GOLD 100 troy oz, $/troy oz

	Latest	High	Low	Prev
Dec	435.3	442.5	433.0	442.6
Feb	441.7	448.5	439.0	449.0
April	449.5	456.0	446.4	456.2
June	457.0	463.0	455.0	463.7
Aug	466.0	469.5	466.0	471.1
Oct	470.0	476.0	470.0	478.7
Dec	477.0	486.0	475.4	486.4
Feb	489.3	494.0	489.3	494.3

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Jan	85.60	85.86	84.60	86.72
Feb	84.00	85.30	[illegible]	85.05
March	82.30	83.40	81.60	83.70
April	80.10	80.10	79.70	81.30
May	78.50	78.80	78.50	79.50
June	77.60	78.00	77.00	78.75

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	125.40	125.60	124.80	125.00
March	126.45	126.65	125.95	126.95
May	127.50	127.70	127.70	127.00
July	128.60	128.65	128.10	128.00
Sept	129.75	129.80	129.40	129.35
Nov	130.60	130.85	130.50	130.40
Jan	131.25	131.25	130.90	130.90
March	131.75	—	—	131.60
May	131.75	—	—	—

PLATINUM 50 troy oz, $/troy oz

	Latest	High	Low	Prev
Dec	371.0	371.0	370.0	378.8
Jan	372.0	382.0	370.0	379.8
Feb	365.0	365.0	365.0	—
April	377.0	386.0	375.0	384.3
July	383.5	395.0	382.0	390.3
Oct	395.0	397.0	389.0	396.3
Jan	406.0	406.0	406.0	402.3
April	415.0	415.0	415.0	408.3

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	7.60	7.42	7.28	7.60
March	8.07	8.28	0.06	8.32
May	0.32	0.53	8.31	8.57
July	9.51	5.73	8.50	8.72
Sept	8.74	8.65	8.73	8.98
Oct	8.99	9.23	0.98	9.22
March	9.77	9.95	9.77	10.00

SPOT PRICES—Chicago loose lard 15.50 (16.00) cents per pound. Handy and Harman bullion silver 1,007.50 (965.00) cents per troy ounce. New York tin 545.0-47.0 (540.0-44.0) cents per pound.

SILVER 5,000 troy oz, cents/troy oz

	Latest	High	Low	Prev
Dec	1014.0	1031.0	1002.0	1009.0
Jan	1020.0	1031.0	1014.0	1017.0
Feb	1035.0	1044.0	1024.0	1025.0
March	1038.0	1054.0	1023.0	1033.0
May	1057.0	1070.0	1036.0	1049.5
July	1061.0	1087.0	1055.0	1068.0
Sept	1090.0	1105.0	1083.0	1082.5
Dec	1110.0	1132.0	1110.0	1106.5
March	1136.0	1136.0	1136.0	1136.5
May	1150.0	1161.0	1150.0	1155.0

CHICAGO

LIVE CATTLE 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	60.55	50.70	60.77	60.45
Feb	58.18	58.56	57.80	58.25
April	58.47	58.95	58.25	58.77
June	60.65	61.00	60.50	60.80
August	59.70	60.30	59.70	60.02
Oct	58.82	59.45	58.80	59.00

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	58.17	56.20	57.02	57.17
Feb	58.57	58.65	57.70	58.12
April	54.92	54.95	54.02	54.37
June	56.32	55.40	54.70	55.00
July	54.77	54.85	54.30	54.62
August	52.22	52.25	52.00	51.60
Dec	47.60	47.60	47.90	47.90
Feb	45.90	45.90	45.60	45.80

MAIZE 5,000 bu min, cents/56lb bushel

	Close	High	Low	Prev
Dec	232.0	—	231.4	235.4
March	239.2	—	239.0	241.0
May	246.4	248.0	246.2	247.6
July	252.2	—	252.0	253.6
Sept	257.2	259.8	257.2	258.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	82.72	82.95	81.70	81.82
March	81.32	81.70	80.55	80.87
May	80.87	80.90	79.75	80.75
July	78.00	78.82	77.70	78.47
August	75.10	75.40	74.90	75.35
Feb	65.95	66.00	64.95	65.90
March	64.10	64.10	64.10	64.10

SOYABEANS 5,000 bu min, cents/60lb bushel

	Close	High	Low	Prev
Nov	596.0	600.4	594.0	599.6
Jan	671.0	575.0	569.2	573.4
March	582.0	587.0	580.0	585.0
May	590.4	595.4	589.4	594.0
July	601.0	604.4	598.0	603.4
August	600.4	605.0	600.0	603.6
Sept	593.4	594.0	583.0	596.4
Jan	608.0	606.0	608.0	617.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	174.5	175.5	173.0	175.4
Jan	174.3	—	173.6	176.4
March	175.0	—	174.6	177.0
May	176.3	—	175.6	178.0
July	177.0	179.0	179.2	179.2
August	176.8	178.5	176.8	179.0
Sept	177.0	177.5	179.0	179.5
Oct	176.5	179.0	176.5	177.7
Dec	179.5	180.0	179.0	181.0
Jan	179.0	180.0	179.0	181.3

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	16.83	16.85	16.74	16.76
Jan	16.97	16.96	16.87	16.81
March	17.28	—	17.19	17.22
May	17.56	—	17.48	17.48
July	17.85	17.60	17.75	17.80
August	17.85	18.00	17.85	17.90
Sept	17.96	18.01	17.85	17.95
Oct	18.00	18.05	18.00	17.97
Dec	18.15	16.25	18.15	18.20

WHEAT 5,000 bu min, cents/60lb bushel

	Close	High	Low	Prev
Dec	328.6	330.4	—	327.6
March	346.2	348.0	345.4	346.0
May	354.0	355.0	—	355.6
July	355.6	357.6	355.6	356.0
Sept	364.0	364.4	363.4	364.0
Dec	379.6	380.4	378.6	379.0

UK COMPANY NEWS

Dawson Intnl. falls and warns on outlook

IN HIS interim report, covering the six months to September 30 1982, Mr Ronald Miller, the new chairman of Dawson International, warns that the group is facing its most difficult trading conditions for many years.

He says with direct and indirect exports accounting for the major part of the group's business, the prolonged recession in most overseas countries and the strength of sterling in the six months have had an adverse effect on profits—pre-tax figures for the period fell by £1.15m to £7.79m compared with the first half last year.

Taking account of the profits from the sale of the Hugras companies, attributable profits came through higher at £8.34m, against £6.6m previously.

Mr Miller points out that the group's liquidity remains very strong and return from investments should provide additional benefit to profits in the second half year.

However, even with this and the beneficial help from the recent lower value of sterling, it is expected that difficult trading conditions will continue for the remainder of the year.

Although the directors remain fully confident that better market conditions will return they consider this is unlikely to occur until later in 1983.

They have a progressive dividend policy and accordingly the net interim dividend is being increased from 2p to 2.2p—a final of 4p was paid for the 1981-82 year when pre-tax profits totalled £23.62m.

Turnover for the first half declined from £95.45m to £89.29m. This included sales outside the group £75.77m (£81.65m) and sales by companies no longer in the group £3.82m (£7.91m). Export sales totalled £38.25m, against £40.07m — the Edinburgh-based group specialises in wool, cashmere, camelhair, angora, mohair and alpaca products.

Tax, adjusted to the average rates for 1981-82, took £2.22m (£2.54m).

Stated earnings per 25p share emerged lower at 6.7p compared with 7.6p, excluding the extraordinary profit.

Mr Miller says every step is being taken to counter the effect of the market conditions. He adds that the group is increasing its share in today's smaller markets at the expense of its competitors.

In a further move to expand its business base the group has entered into agreement with Jack Nicklaus Apparel International, for the manufacture and sale of knitwear and related apparel, under the "Jack Nicklaus/Golden Bear" label in the UK and Europe.

Armour Trust

Armour Trust's rights issue of 4.97m ordinary shares has been taken up as to 89.6 per cent. The balance has been sold in the market and the net proceeds of 6.565p per share distributed.

MEPC makes 25% advance to £33.4m

THE WORLDWIDE development and investment portfolio of MEPC, the UK's second largest property group, rose in value by under 4 per cent in 1981-82. There was a 19 per cent increase in the previous 12 months.

MEPC yesterday reported a 25 per cent jump in pre-tax profits to £33.4m (£26.8m) but weakening international property markets gave rise to a net surplus of only £33.5m on the valuation of its £903m portfolio.

The group's UK property holdings, which account for 64 per cent of the portfolio value, registered an increase of 3 per cent.

The group's portfolio, boosted by the addition of £100m worth of development and investment properties, is now worth £1.01bn. The decline in the Australian dollar resulted in a £18m fall in the value of the portfolio.

Gross rental income rose by 24 per cent to £89m, although a substantial proportion of the increase reflects the weighting of new acquisitions towards investment properties.

Purchases during the year included offices in Denver, the Waikiki Trade Centre in Hawaii and an office building in Minneapolis.

The West One shopping centre in Oxford Street also made a contribution to income, as did lease reversions and rent reviews. The percentage of vacant space has remained steady at about 2 per cent.

Sir Gerald Thorley, MEPC chairman, said that rent levels had kept up "remarkably well" in the UK, with significant rental increases generally achieved on review.

Stated earnings per share rose 10.9 per cent from 9.2p to 10.2p while net assets per share (diluted) rose by just over 3 per cent to 356p (345p). The final dividend of 5.25p makes 7.25p (6.5p) for the year. The group's net cash balances stand at £73.1m.

The group has made a £300,000 provision—covered by its bad debt reserve — following the failure of a tenant at Greenford, Middlesex. Possible capital gains tax on the sale six years ago of its Canadian interests, which the company says it will contest if necessary, are partially responsible for the inclusion of extraordinary items totalling £7.2m.

Sir Gerald Thorley, chairman of MEPC.

MEPC says its cautious approach to new developments has led to a cut in capital commitments from £90m last year to £66m. The group expects to spend £60m in the current financial year against £95m in 1981-82, a total which included £37m of acquisitions in the U.S. The American operation now accounts for 12.5 per cent of the portfolio value and contributed 5 per cent of pre-tax earnings.

The group reports that 40 per cent of the space in its 190,000-sq-ft Long Acre, London, office scheme has been let or is about to be. It has yet to make a decision on whether or not to proceed with the 350,000 sq ft office scheme planned for Reading.

A geographical analysis of the year's pre-tax earnings shows that there was an improvement in all regions except within the EEC. The figures were: UK £22.64m (£17.52m), Australia £4.77m (£1.9m), EEC (excluding UK) £4.29m (£6.03m), and the U.S. £1.68m (£1.05m).

A £13.57m (£10.91m) charge, at 41 per cent of pre-tax profits, reflects the benefit of property depreciation allowances which are available in some overseas areas of investment, and allowance for losses made overseas in earlier years which will shortly be absorbed.

Assets employed at the year-end totalled £1.15bn financed principally by shareholders' funds of £732m and loan capital of £331m. The borrowing ratios accordingly continue at the same level as last year with loan capital amounting to 45 per cent of shareholders' funds, and 32 per cent of the property assets.

An increase in shareholders' funds of £86m arose principally from the rights issue completed earlier in the year and from the revaluation of the group's investment properties. The rights, which raised £62m after expenses, gave the flexibility to retain 100 per cent of the equity in new projects at least until the full development process of planning, construction and leasing is completed.

	1981-82 £000	1980-81 £000
Gross rental income	88,886	71,584
Other income	11,845	11,436
Making	100,731	83,070
Property outgoings	37,365	30,804
Finance costs	35,230	30,332
Development props.*	6,225	4,864
Earnings before tax	33,372	26,798
Tax	13,567	10,914
Net earnings	19,805	15,884
Minorities & pref. divs.	334	317
Attributable to ord.	19,471	15,567
Ord. dividends	11,604	11,024
Retained	7,867	4,543
Extraord. debits	7,287	11,183
Prop. revaluation s'plus	33,569	132,530
Share prem. & others	48,283	22,813
Change in reserves	77,211	151,064
Reserves	678,489	601,286

* Capitalised cost of interest and other outgoings. † Credits.

See Lex

Phoenix Assurance falls to £15.5m

AN IMPROVED third quarter enabled Phoenix Assurance to show pre-tax profits at the nine month stage down 40 per cent from £25.8m to £15.5m. Underwriting losses over the period rose two-thirds from £23.2m to £37.8m and this increase was barely offset by a minimal rise in investment income from £48.8m to £50.7m.

A substantially reduced tax charge resulted in net profits being cut by 40 per cent from £12.8m to £7.7m. The earnings per share were reduced from 21.9p to 12.7p.

General business premium income increased by 5 per cent in sterling terms from £336.5m to £352.7m, the underlying growth allowing for currency fluctuations and adjustment of the change in the Australian business operation was 8 per cent. Similarly the underlying growth in investment income was a more healthy 10 per cent.

The underwriting loss in the third quarter was £10.5m the same as the second quarter and slightly higher than the third quarter last year.

Nearly half the nine-month underwriting losses occurred in the UK amounting to £16.8m against £1.3m last year. Besides the adverse weather losses in the first quarter, the company has been hit by keen competition in the commercial fire market and rising theft losses on the householder account.

The operating ratio in the U.S. for the nine-month period was 111.4 against 110 last year, with the individual ratios in the three quarters this year being 110.7, 115.8 and 108.2 respectively. To date the underwriting loss is £9m against £7.4m last year.

The position in Canada remains encouraging, with improved underwriting results over the period against last year. Conditions in Europe have worsened, but elsewhere there are a number of favourable features and improved results.

New annual premiums on long-term insurance over the nine months declined slightly from £20.3m to £20.2m, but single-premium business jumped 50 per cent from £19m to £28.6m.

● **comment**

The dull third quarter figures from Phoenix Assurance have not improved its market rating. On the face of it, the results look good with underwriting losses in the third quarter only marginally higher. But weatherwise, the third quarter was very kind to composites and the figures show the underlying weakness in world insurance markets. The Phoenix is heavily committed in the UK, currently one of the worst insurance markets in the world. Not only has the company been hit by competition for commercial business, but it seems to have lagged behind other insurers in putting up its household rates to cover higher theft losses. The market is now also anticipating pre-tax profits of only £23m for 1982 against last year's £30m. The share price shed 6p to 256p reflecting the markets disappointment, yielding 8.4 per cent gross on 1981 dividend.

Lower volume cuts Spring Grove to £2.7m

FOLLOWING a decline in second-half taxable profits from £2.07m to £1.42m, service management and development group Spring Grove fell from £3.57m to £2.7m in the year to October 1 1982. Turnover for the 12 months edged ahead from £23.95m to £24.02m.

The final dividend is being maintained at 2.5p net, making a same-again total of 4p. Earnings per 10p share are stated at 8.8p (9p).

The group is 40 per cent held by Charterhouse Group.

The directors say considerable success was achieved in winning major workwear, towel and linen rental contracts during the year, and further large contracts are being actively pursued. However, high levels of unemployment reduced the size of the group's market, and there were significant increases in price competition which led to a decline in volume and operating profit.

Turnover includes a two-month contribution from St George's though no pre-tax profit. However the group benefited from the acquisition by a significantly reduced tax charge, the directors say.

Fixed asset lives were reassessed in 1982. Without this the depreciation charge for the year would have been £258,000 higher.

During the year the group took further steps to contain operating costs, and this effort is being maintained, the directors say. This resulted in additional borrowings, for both capital investment and increased stock levels.

The overseas operations in Ireland, Holland and Germany contributed to group profits and are expected to do so in the current year.

Taxable profits were struck after interest payable of £601,000 (£530,000) and tax took £366,000 (£1.57m), leaving net profits of £2.34m (£2.01m). Additionally there were extraordinary debits of £629,000 (£247,000) representing closure and rationalisation costs.

Current cost adjustments reduced the pre-tax profits to £2.06m (£3.09m).

● **comment**

Lower volumes and pressure on margins pushed Spring Grove's profits down by a quarter this year. The acquisition of St George's, however, has meant that tax charges have been significantly reduced — from £1.57m to £366,000. So at the attributable level, profits were up. This will continue for the next year or two as St George's have had losses to offset against tax liability. The good news is that volumes started to recover in the last quarter, so the first half of the coming year might show some improvement. The company is going into bigger contract work, with a deal worth more than £0.5m in turnover supplying towels to Essex County Council. This, however, required a considerable amount of immediate expenditure, which added to the strain on the balance sheet. Net borrowings are now around £10m—88 per cent of shareholders' funds. The company is hoping that a synergy with St George's will start to show through by the second half of the coming year and has reorganised the new subsidiary to help this along. The historic p/e is fairly high—over 14—and the yield, with the shares at 77p, is a symmetric 7.7 per cent.

Midway rise for Capital & Counties

First half revenue of Capital & Counties, the property investment and development, housebuilding and property trading group, rose by £235,000 at the pre-tax level to £3.32m on higher operating income of £5.92m, compared with £5.06m.

Stated earnings per 25p share edged ahead from 3.35p to 3.45p and the net interim dividend is held at 1.2p—a final of 2.6p was paid for the 1981-82 year following an improvement in pre-tax profits to £7.65m.

The taxable surplus, covering the six months to September 29 1982 was struck after taking account of administration expenses of £1.05m (£888,000) and net interest payable of £1.62m (£1.22m). Included was a higher share of profits from associates at £104,000 (£85,000).

Tax took £671,000, against £464,000, leaving net revenue at £2.65m, compared with £2.58m.

In his last annual statement, giving his prospects for the current year, the chairman anticipated a continued steady growth in revenue from investment properties and a recovery in earnings from housebuilding.

For the first six months operating income from investment properties expanded by £1.02m, compared with the same period last year, and that of housebuilding by £142,000. Property trading fell from £628,000 to £330,000.

At September 29 net assets attributable to ordinary shareholders amounted to £161,336, against £139,684 previously.

Foseco-Minsep

Group sales of Foseco-Minsep for the nine months ended September 30 1982 were essentially unchanged from those for the corresponding period of 1981, state the directors.

Management shake up at London Trust

BY TIM DICKSON

A SIGNIFICANT management shake-up was announced yesterday at the London Trust, once a star of the investment trust sector but now lowly rated by comparison with many of its rivals.

The key change is the appointment of Mr Henry Berens who as the new managing director will assume the major responsibility for the day-to-day running of the trust's portfolio. At the same time the Hon. Edward Davies, who has been a director of the company since 1961 and its chairman since 1973, is to "relinquish his executive responsibilities."

Mr Davies will continue as chairman, and Mr Ionel Rolfe, who has been with the company for 47 years, will continue as joint managing director until his retirement in April next year. Mr Ernest Bigland has been appointed deputy chairman and Mr Stephen Geschalk has been appointed assistant to the managing directors with special responsibility for unlisted investments.

The changes announced yesterday come at a time when London Trust is suffering a major credibility gap. Once a glamour stock in a somewhat unexciting sector the company made its mark with its large portfolio of unquoted investments. Currently has accounts for about 50 per cent of total assets.

Major problems, however, have arisen in the last couple of years and with a number of the trust's investments being written down its discount has widened. At yesterday's closing share price of 68½p the discount was around 34 per cent, compared to a sector average of under 30 per cent.

It is understood that some of London Trust's leading institutional shareholders have been unhappy about the way the company has been run and were pressing for changes.

Mr Berens, who formerly ran the Trafalgar House pension fund, admitted yesterday that his major task will be to improve London Trust's rating. In future, he said, the managers will adopt more of a "hands on" approach to some of the unlisted investments which, he implied, had suffered from neglect. "I do think it is important for investment trusts to invest in special situations and unquoted companies but I think frankly that we have gone too far. I would like to bring back the unquoted portfolio right back to perhaps 25 per cent of the total."

The company announced an unchanged dividend of 1.25p for the six months to September 30 1982. Net asset value at September 30 was 103.5p per share, compared with 106p at March 31 and 98.3p a year earlier.

Lofs £4.18m loss: no upturn seen

FOR THE six months ended September 30 1982, tramp ship owner, operator and manager London & Overseas Freighters incurred pre-tax losses of £4.18m. The figures compare with a £3.19m deficit for the preceding six months and profits of £1.35m for the same period last year.

In his interim report, Mr M. E. Kulukundis, the chairman, says that as a whole, the group's fleet is barely covering operating expenses and warns that the future of the shipping industry looks "gloomy."

He points out that trading losses and the repayment of loans and interest make heavy demands on the group's cash resources and that although its loans have been restructured with the co-operation of its bankers, it "cannot rely on a sufficient improvement in trading to maintain an adequate margin of working and the sale of one or more ships in the near future seems unavoidable."

Although there are signs of slightly better trading conditions, Mr Kulukundis says taking into account the additional depreciation charge arising on the two new tankers (approximately £1m per annum each) trading results of the second half of the year "cannot show an improvement over the first six months unless there is a substantial increase in freight rates during the next four months."

The first half deficit included additional depreciation of £0.36m and was further affected by lower interest receivable (down from £1.14m to £367,000) on reducing liquid funds, and foreign currency adjustment which took £243,000 this time (added £2.19m).

At the attributable level there was a loss of £4.62m (£902,000 surplus), equal to a loss per 25p share of 8.2p (1.6p earnings).

Cambridge Water tender

The Cambridge Water Company is today offering for sale by tender £2m of 7 per cent preference stock dated December 31 1989 at par.

The stock's fully grossed up franked income yield to holders paying full corporation tax of 52 per cent is 14.58 per cent.

The company is raising the money to enable it to redeem loan stock falling due next year and to finance the replacement of mains.

Brokers Seymour and Pierce said the offer will remain open for a week, with the minimum tender price fixed at par.

● **comment**

Last month the redeemable preference stock issues of two waterworks companies were both oversubscribed. These were the Chester Waterworks 6¾ per cent 1987 stock and the South Staffordshire 7 per cent 1987-89 stock which fetched an average price of £101.65. The value of the South Staffordshire preference coupon at par was 38 per cent above that of two conventional gilts, Treasury 11½ per cent 1989 and Treasury 13 per cent 1990, to a company paying mainstream corporation tax. On yesterday's midday gilt prices, the Cambridge preference stock is offering at par a narrower yield margin over the two gilts of only 22.6 per cent. This should keep the minimum tender price much closer to par. But companies eager to hold the stock should offer a little more to be safe, as once the stock is bought it is likely to disappear into the vaults of, mainly, insurance companies for the next seven years and never to see the light of the market.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Capital & Counties ...int	1.2	Jan 4	1.2	—	3.8
City of Dublin Bank§ ...	2.01	Feb 25	2.01	2.89	2.89
Dawson Intnl ...int	2.2	Jan 24	2	—	6
Dunhill Hldgs ...int	5	Jan 7	5‖	—	11‖
Fine Art Devs ...int	1.1	Jan 14	1.1	—¶	3
L. Joseph ...int	1.88	Jan 11	1.88	—	10.45
MEPC ...	5.25	Jan 13	4.5	7.25	6.5
Moorgate Merc ...int	0.3	Feb 7	0.3	—	1
Spring Grove ...	2.5	Jan 27	2.5	4	4
Third Mile ...int	nil	—	0.7	—	1.58
Trans-Oceanic Trust ...	1.7	Mar 8	1.67	2.54	2.5*

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Irish currency throughout. ¶ Board intends to maintain final of 1.9p. ‖ Previous dividends paid by Alfred Dunhill.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Braham Millar, Bromsgrove Castings and Machining, Brunning, Castings, Eastern Transvaal Consolidated Mines, General Electric, Hargreaves, Hertsbeesfontein Gold Mining, Leigh Interests, Mitchell Somers, Paula and Whites, Rowlinson Securities, Sogomana, Scapa, SGB Group, Zandpan Gold Mining.

Finals: Anglovaal, Dundee and London Investment Trust, Fairline Boats, Middle Witwatersrand (Western Areas), Royal Bank of Scotland, United Wire.

FUTURE DATES

Interims—	
Bremner	Dec 6
British and American Film	Dec 10
Glaxtiers	Dec 16
Holyrood Rubber	Dec 6
Kuala Selangor Rubber	Dec 10
Lennons	Dec 13
Premier Consolidated Oilfields	Dec 13
Russell (Alexander)	Dec 15
Scottish and Newcastle Breweries	Dec 21
Snow Cornets	Dec 9
Finals—	
Associated Sprayers	Dec 10
Borthwick (Thomas)	Dec 9
Burco Dean	Dec 9
Cowie (T.)	Dec 15
Dubilier	Dec 8
Fawcus Castors and Wheels	Dec 9
Gomme	Dec 8
Hardys and Hansons	Dec 17
McCorquodale	Dec 14
Reliant Motor	Dec 14
Stonhouse	Dec 8

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

1981-82 High	1981-82 Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
132	120	Ass. Brit. Ind. Ord.	132	—	8.4	4.8	7.7	10.1
150	100	Ass. Brit. Ind. CULS	150	—	10.0	6.7	—	—
75	57	Airsprung Group	57	—	6.1	10.7	6.5	11.2
51	33	Armitage & Rhodes	43	—	4.3	10.0	4.9	8.4
265	187	Bardon Hill	265	+7	11.4	4.3	11.1	19.0
121	100	CCL 11pc Conv. Pref.	121	—	15.7	13.0	—	—
270	240	Cindico Group	255	−1	17.6	6.9	10.3	11.6
104	60	Deborah Services	64	—	6.0	9.4	4.2	11.4
150	97	Frank Horsell	150	—	7.9	5.3	6.3	6.6
83	39	Frederick Parker	64	—	6.4	10.0	3.2	6.2
78	42	George Blair	42	—	—	—	7.3	15.2
102	79	Ind. Precision Castings	79	—	7.3	9.2	10.1	12.7
132	100	Isis Conv. Pref.	132	+1	15.7	11.9	—	—
123	94	Jackson Group	121	—	7.5	6.2	3.7	7.7
172	108	James Burrough	170xd	−2	9.6	5.6	12.4	13.8
334	177	Robert Jenkins	179	—	20.0	11.2	2.0	28.4
83	51	Scruttons "A"	76	—	5.7	7.5	9.9	11.9
222	121	Torday & Carlisle	121	—	11.4	9.4	5.4	9.3
44	21	Unilock Holdings	24	—	0.46	1.9	—	—
103	73	Walter Alexander	75	—	6.4	8.5	5.4	7.7
263	212	W. S. Yeates	250	—	14.5	5.8	6.5	13.1

Prices now available on Prestel page 48146.

Public Works Loan Board rates

Effective November 30

Years	Quota loans repaid by EIP†	Quota loans repaid by A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid by A‡	Non-quota loans A* repaid at maturity§
Up to 3	10¼	10¼	10¼	11¾	11¾	11¾
Over 3, up to 4	10½	10½	11⅛	11⅞	11⅞	11⅞
Over 4, up to 5	10¾	10¾	11¼	11⅞	11⅞	11⅞
Over 5, up to 6	11	11	11⅜	11⅞	11⅞	12⅛
Over 6, up to 7	11	11⅛	11⅜	11⅞	11⅞	12⅛
Over 7, up to 8	11⅛	11¼	11⅜	11⅞	11⅞	12⅛
Over 8, up to 9	11⅛	11¼	11⅜	11⅞	11⅞	12⅛
Over 9, up to 10	11⅛	11¼	11⅜	11⅞	11⅞	12⅛
Over 10, up to 15	11¼	11¼	11⅜	12⅛	12⅛	12⅛
Over 15, up to 25	11⅜	11⅜	11⅜	12⅛	12⅛	12⅛
Over 25	11⅜	11⅜	11⅜	12⅛	12	13

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Fine Art sees downturn after loss at six months

REFLECTING difficult trading conditions and increased competition there was a £760,000 turnround at Fine Art Developments to pre-tax losses of £195,000 for the half-year to September 30 1982. Sales of this greeting card manufacturer were only slightly higher at £34.07m compared with last year's £32.78m.

Against a difficult trading background Mr F. R. Kerry, chairman, says that profits for the full year will be materially lower — sales for the full year are unlikely to exceed last year's level, he says. In the last full year pre-tax profits stood at £4.41m on sales of £80.19m.

Mr Kerry says that the results are "very disappointing" and below earlier expectations.

The net interim dividend has been held at 1.1p and the directors state their intention to maintain the final at 1.9p. For the six months losses per 5p share came through at 0.25p against previous earnings of 0.752p.

Trading since the half year has continued to be difficult says Mr Kerry. In mail order he is pleased with the level of card sales but disappointed with the volume of gift sales, where the unit value of orders has declined. Companies supplying the wholesale and retail trade continue to suffer from the reluctance of customers to start re-stocking to former levels.

Mr Kerry points out that steps have been taken in rationalisation which will bring benefits in 1983-84, when he hopes there will be an improvement in the level of consumer spending.

In mail order he reports that a warehouse has been closed and improvements made in the distribution system. A single sales force has been created for Image Arts and Raphael Tuck.

At the trading level lower profits of £983,000 against £1.57m were shown. Interest charges moved up from £1m to £1.18m.

There was a credit for tax of £49,000 (debit £150,000). An extraordinary debit this time of £110,000 represents closure costs of an unprofitable subsidiary.

At the attributable level there were losses of £256,000 against previous profits of £415,000. After dividends the retained deficit increased from £228,000 to £899,000.

● comment

The UK's largest greeting card manufacturer Fine Art, which was one of the fastest growing companies in the 1970s, has produced an even gloomier set of Christmas tidings than in the two previous years. Its growing mail-order business, which was a natural development from despatching cards and small gifts, puts it in a depressed sector. Sales here have remained steady, as has the wholesale cost of gifts and household items it markets. But its internal distribution costs have squeezed margins to close to vanishing point. The closure of a warehouse this year and the cutting of the labour force by nearly 900 to about 3,000 over the last 18 months should keep down costs in 1983. Greeting card manufacture has been faring better and a new factory in Accrington, which came on stream at the start of the year, should remove the losses caused by insufficient productive capacity, provided demand holds up. But 60 per cent of Fine Art's card sales are Christmas cards and this year's yuletide sales in both divisions—which are now virtually over—suggest that second-half profits will also be significantly down on last year, leaving a maintained dividend uncovered. After a week of decline, the share price fell yesterday by 1p to 34p, nearly 27 times the fully-taxed prospective earnings if final pre-tax profits reach £1.5m. The prospective yield is 13 per cent.

British Benzol midway rise to £108,000

Modest progress has been shown by British Benzol Carbonising for the half year to end September 1982 according to Mr W. Doule, chairman. Group pre-tax profits of this coke and smokeless fuel manufacturer moved ahead from £92,000 to £108,000 on a same-again sales total of £4.4m.

Trading conditions remain difficult, says Mr Doule, but he views the rest of the year with "guarded optimism."

He states that it is not yet possible to recommend the payment of a dividend for the period. The last distribution was made in respect of 1979-80. Earnings per 10p share, adjusted for rights, were shown as slipping from 1p to 0.8p.

In the last full year pre-tax profits stood at £183,000 on sales of £8.59m.

Yearlings total £16.5m

Yearling bonds totalling £16.5m at 10¼ per cent redeemable on December 7 1983 have been issued this week by the following local authorities.

Kings Lynn and West Norfolk (Borough Council of) £1m; Kirklees Metropolitan Borough Council £0.75m; Wigan (Metropolitan Borough of) £1m; South Bedfordshire District Council (£0.25m; South Oxfordshire DC £0.25m; Tewkeshury Borough Council £0.5m; Tonbridge and Malling DC £0.5m; Swansea (City of) £1m; Dundee (City of) DC £1m; Ealing (London Borough of) £1m; Hammersmith and Fulham (London Borough of) £2.5m; Lincoln (City of) £0.5m; Congleton Borough Council £0.5m; Cyngor Dosharth Dwyfor (The District of Dwyfor) £0.5m; Oldham Metropolitan Borough Council £2m; Sheffield (City of) £2.5m; Tendring DC £0.5m; Vale Royal DC £0.25m.

The London Borough of Brent has issued £0.5m worth of 11 per cent bonds redeemable on November 28 1984.

Country Gentlemen's profits down

Although showing a setback half-year results at the Country Gentlemen's Association are very much as expected for the six months to September 30 1982, according to the directors. Pre-tax profits dropped from £102,882 to £84,599 with turnover slipping from £1.23m to £1.01m.

The directors of this company, which carries on business as suppliers of members' requirements, general agents, consultants and advisers to members of the association, go on to point out that during the last few months the company has been computerising its insurance activities.

Property & Reversionary well ahead

Profits before tax of Property and Reversionary Investments rose from £899,000 to £1.27m for the six months ended September 30 1982. Stated earnings per 25p share moved up by 0.3p to 2.3p but the net interim dividend is held at 1p—a final of 2.3p was paid previously.

Gross income totalled £4.76m (£1.34m) and was made up as to rents, excluding service charges, £1.61m (£1.2m) and sale by trading subsidiary £3.15m (nil)—interest receivable last time amounted to £141,000. Income from rents included earnings of the recently acquired subsidiaries.

No credit was taken for interest on the capital invested in the site at Frimley, which is being developed jointly with Marlborough Property Holdings, but some profit on sales was brought in.

No transfer to revenue was made to offset the loss of income caused by the charging to revenue of outgoings attributable to properties in the course of development.

Tax for the half year took £557,000 (£467,000) and minorities accounted for £91,000 (nil). There was a £222,000 (£186,000) profit from the disposal of investment property and a transfer to capital reserve in respect of extraordinary items of £222,000 (£483,000), leaving available profits ahead at £819,000 (£432,000).

Grootvlei's good final dividend

BY KENNETH MARSTON, MINING EDITOR

THE December half-yearly dividend season of the South African gold mining industry has got off to a good start with payments from the Gencor group mines which, in some cases, are above expectations.

Grootvlei comes out best with a final dividend of 80 cents (44.8p) which makes a total for 1982 of 115 cents against 147 cents in 1981; the gold price averaged $457 per ounce last year where it has averaged only $370 so far in 1982. It was $435½ yesterday.

Grootvlei's profits have moved ahead during the past two quarters on a combination of a higher gold price (in the September quarter) and increased gold production which has reflected an improvement in ore grades following the start of mining operations at the Black reef and other better grade areas.

A final of 150 cents from Stilfontein to make a year's total of 250 cents against 310 cents for 1981, is also better than most observers expected. So, too, is West Rand Consolidated's return to the dividend list with a payment of 20 cents although the distributing should be regarded as having an element of capital return owing to the veteran mine's limited life prospect.

Marievale's final of 25 cents to make a year's total of 41 cents against 83 cents is in line with expectations while an interim of 260 cents declared by Buffelsfontein is for the year to next June comes at the lower end of estimates.

The group's Orange Free State mine, St Helena, is declaring a good final for 1982 of 280 cents to make a total of 425 cents. The company's financial year now runs to December 31 having been changed from September 30. In the previous 15-month period to last December there were three payments totalling 735 cents.

The latest dividends are compared in the following table.

	1982 Dec cents	1982 June cents	1981 Dec cents	1981 June cents
Buffelsfontein	*260	290	*260	400
Grootvlei	80	35	78	69
Marievale	25	16	28	55
St Helena†	280	145	—	—
Stilfontein	150	100	180	130
West Rand	20	—	10	5

* Interim † Previous divs paid March/Sept

Pancontinental concentrates on uranium sales

THE TWO most significant areas of activity for Australia's Pancontinental Mining in 1983 will be the securing of long-term contracts for the sale of uranium from the Jabiluka joint venture and the possible development of the Paddington gold deposit, according to Mr Tony Grey, chairman.

He told the annual meeting that, while he was as yet unable to announce the signing of any contracts for uranium sales, he remained confident—"I expect them to be finalised in 1983, but that before too long the ice will be broken," he said.

Ironically, Mr Grey bases his optimism in part on the 11-year time-lag between the discovery of the Jabiluka deposit and the granting of final government approval for development in July. Much of this delay was caused by what Mr Grey called "excessive impediments" to obtaining government approval, which "seriously disadvantaged" the project.

Nevertheless, the time was used in persuading potential customers of Jabiluka's strategic advantages, which are essentially that the project will be a low-cost producer, has unusually large reserves, and is in a politically stable country.

The chairman also pointed out that, although the uranium market is currently depressed, most forecasts point to an upturn later this decade, with a return to strong demand by the 1990s. There are, he said, certain parallels with the cycle just completed, which Pancontinental was forced "so agonisingly" to watch slip by.

Mr Grey warned against paying too much attention to the low level of prices on the spot market, as only about 5 per cent of uranium changed hands at these levels. The bulk of world production is sold on long-term contracts at prices mostly well in excess of those ruling on the free market.

While the spot price is influential in negotiating prices for long-term contracts, it is not determinative, he said.

In any event, spot prices are starting to improve, with a rise last month of 50 cents to U.S.$17.50 (£11), the first advance in three years.

Mr Grey said he was pleased that Getty Oil of the U.S. remains firm in its commitment to Jabiluka. He did not tell shareholders how it is proposed to reduce the Getty stake of 35 per cent, which, under Australian Government rules for uranium projects, must fall to 25 per cent before production can start.

The Paddington gold prospect, 20 miles north of Kalgoorlie in Western Australia, is centred around the old Paddington Consols mine, which ceased operating in 1901 after producing 88,000 ounces of gold.

Drill indicated reserves total 5.3m tonnes of ore grading an average 3.2 grammes of gold per tonne, with at least half of this tonnage amenable to open-pit mining.

With further reserves possible to the north of the deposit, Pancontinental has decided for the time being to go ahead with further exploration work on its own.

The shares gained 2p to 74p in London yesterday.

* * *

A recovery in nickel demand should be accompanied by a rapid increase in prices, according to Sir Thomas Webb, chairman of Australia's Metals Exploration.

He told the company's annual meeting that Metals Ex had taken big steps towards consolidating its position as a producer of nickel from high-grade sulphide deposits. These steps include the purchase from Amax of the U.S. of a 51 per cent interest in the Forrestania nickel project, to add to Metals Ex's Nepean and Greenvale operations.

The company has also found nickel sulphides on five prospects at the 50 per cent-owned Widgiemooltha project.

Nepean remained profitable last year in spite of poor prices for nickel, but the 50 per cent-owned Greenvale lost A$14.1m (£8.4m). However, the latter operation has now completed the conversion of its plant from oil to coal, which is expected to cut operating costs by around A$15m a year.

Temporary shutdown at Pine Point

THE CONTINUED weakness in lead and zinc prices has made the operations of Canada's Pine Point Mines uneconomic, and the company plans a temporary shut-down of its mining and milling facilities.

The closure of the plant, at Great Slave Lake in the North-west Territories, will start on January 2, and will be reviewed on a monthly basis.

Employees will be allowed to stay in company housing, and most benefits and subsidies will be continued until the end of January, when they will be reviewed.

Cominco, the metals arm of the Canadian Pacific group, owns 69 per cent of Pine Point.

Ramu River potential

"A NICKEL-cobalt-chromite resource of major world significance has been established and studies have shown exploitation is technically feasible." Thus comments Mr Graham Bamford, manager for the Ramu River project in Papua New Guinea in which the U.S. Nord Resources group has a stake of 69.5 per cent. The remaining 30.5 per cent is held by Australia's MIM Holdings.

The comment was made at the hearing before the Papua New Guinea mining warden for the renewal of Nord's mining licence for a further two years. Industry sources expect that the renewal will be granted.

Meanwhile, Nord is seeking a further partner to help defray the high capital costs of starting a pilot mining operation. The cost of taking the deposit to full production has been put at between $1bn and $1.3bn (£812m).

Ramu River has been previously estimated to hold some 100m tonnes of ore grading 6.5 per cent chromite and 67m tonnes grading 0.16 per cent cobalt and 1.1 per cent nickel. It has an annual output potential of 55m lb of nickel, 6.5m lb cobalt and 500,000 tonnes of chromite concentrates.

This would equal about 11 per cent of available world chromite, 8 per cent of cobalt supply and 6 per cent of nickel. The deposit was previously regarded primarily as a nickel find because the chromite grade is too low for world standards, but it is of strategic importance to the U.S.

This is because chromite — a major application for the material is in the steel-hardening ferrochrome—tends to be found in areas which are regarded by the U.S. as politically sensitive. The western world's major producer of chromite is South Africa, followed by the Philippines and Zimbabwe.

Against the background of the world recession, only slow progress has been made in determining the project's overall viability. And it could take five years or so to reach production following a decision to develop a mine.

EUROPEAN OPTIONS EXCHANGE

Series	Dec. Vol.	Dec. Last	Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Stock
D/FL C F.275	–	–	22	8	1	5	F.270.80
D/FL C F.280	–	–	118	1.60	5	3.60	"
D/FL C F.285	–	–	–	–	20	3	"
D/FL P F.275	–	–	74	10	52	12	"
D/FL P F.280	–	–	75	13.50	26	15.50	"
	Feb.		May		Aug.		
GOLD C $300	7	147	–	–	–	–	$489.30
GOLD C $350	2	101	–	–	–	–	"
GOLD C $375	–	–	50	88	–	–	"
GOLD C $400	16	60	51	72	51	85	"
GOLD C $425	37	38	18	56	–	–	"
GOLD C $450	149	25	16	42	–	–	"
GOLD C $475	149	16	11	30	–	–	"
GOLD C $500	198	10	17	20	–	–	"
GOLD C $530	37	4.50	95	12	–	–	"
GOLD P $350	–	–	20	5	–	–	"
GOLD P $375	46	5	2	9.50	–	–	"
GOLD P $400	78	10	1	16.50	–	–	"
GOLD P $425	111	17	21	26.50	–	–	"
GOLD P $430	83	28	–	–	–	–	"
GOLD P $475	21	47	1	68	–	–	"
12¾ NL 81 87-21							
C F.117.50	180	5	–	–	–	–	F.128.60
C F.120	20	2.80	–	–	–	–	"
C F.122.50	41	1.70	–	–	–	–	"
C F.125	405	0.80	5	1.30	–	–	"
P F.112.50	500	0.20	1020	0.30	–	–	"
P F.115	–	–	200	0.50	–	–	"
P F.120	100	0.80	–	–	–	–	"
P F.122.30	30	2.30	–	–	–	–	"
P F.125	6	3.80	–	–	–	–	"
10¾ NL 80 86-95							
C F.110	–	–	20	9.50	–	–	F.110.20
C F.112.50	10	0.80	–	–	–	–	"
11¼ NL 82 88-92							
C F.110	178	2.50	10	3	–	–	F.111.90
C F.116.50	110	1.60	–	–	–	–	"
P F.102.50	–	–	2000	0.30	–	–	"
P F110	6	1.10	–	–	–	–	"
10 NL 88 86-89							
P F.102.50	10	0.70	–	–	–	–	F.105.30
10 NL 82-11 86-89							
C F.107.50	490	1.50	120	2.30	–	–	F.107.60
P F.105	10	0.80	10	1.40	–	–	"
P F.107.50	400	1.30	–	–	–	–	"
	Jan.		April		July		
ABN C F.300	47	5.50	–	–	–	–	F.294
AKZO C F.25	–	–	85	88	–	–	F.33
AKZO C F.27.50	410	5.50	166	5.60B	–	–	"
AKZO C F.30	383	3.30	228	3.90	68	4.40	"
AKZO C F.32.50	114	1.50	126	2.60	–	–	"
AKZO P F.27.30	230	0.10	–	–	–	–	"
AKZO P F.30	124	0.80	65	1.40	–	–	"
AMRO C F.45	77	3.50	65	4.50	–	–	F48.30
AMRO C F.50	68	1.20	–	–	58	4	"
AMRO P F.45	–	–	49	3	–	–	"
GIST C F.100	116	12	–	–	–	–	F.102.30
GIST C F.110	97	4.50	55	8.50	85	98	"
GIST P F.90	47	0.70	–	–	–	–	"
GIST P F.110	99	5	–	–	–	–	"
HEIN C F.80	60	11.50	–	–	–	–	F90.30
KLM C F.100	39	27.50	–	–	–	–	F.127
KLM C F.110	27	12	–	–	–	–	"
KLM C F.120	278	11	69	17.50	–	–	"
KLM P F.90	53	0.30	–	–	–	–	"
KLM P F.100	–	–	53	5.10	–	–	"
KLM P F.110	116	4	–	–	–	–	"
KLM P F.120	49	7.30	71	18	–	–	"
NEOL P F.100	37	3.30B	–	–	–	–	F.105.20
NATN C F.120	57	6.80	48	5.50	20	7	F.120.40
PHIL C F.27.50	183	0.90	211	1.70A	9	2	F.27
PHIL C F.30	88	0.30	312	0.80	125	1.40A	"
PHIL P F.25	–	–	36	0.20	2	1.30	"
PHIL P F.27.50	94	1.50	22	2.20	–	–	"
RO C F.20	235	4.40	65	6.30A	4	6.30B	F.20.40
RO C F.100	170	1.20	54	2.80	2	3.50	"
RO P F.80	50	0.50	99	1.10	5	2.20	"
RO P F.90	75	2.80	86	4.40	–	–	"
UNIL C F.200	100	3.10	16	5.50	–	–	F.191

TOTAL VOLUME IN CONTRACTS 7,648

A=Asked B=Bid C=Call P=Put

Fraser gains court restrictions

House of Fraser, the Harrods stores group which is locked in battle with Lonrho, has gained further restrictions in the courts over a block of 2m shares owned by an unidentified overseas shareholder.

The Court of Session in Edinburgh yesterday granted an order imposing additional restrictions on 2m ordinary shares of 25p each of House of Fraser, representing 1.3 per cent of the issued ordinary capital, registered in the name of Max Morel (Nominees).

The 2m shares were acquired by Max Morel (Nominees) on behalf of R. Daus and Co., Frankfurt bankers in the period immediately before the extraordinary general meeting of House of Fraser requisitioned by Lonrho and held last month.

The court order in October, sought by House of Fraser, prevented the use of voting rights on the shares and the transfer of the shares "on account of the failure of R. Daus and Co." to comply with the disclosure requirements of the Companies Act 1981.

R. Daus, said House of Fraser yesterday, first claimed that the shares were held for its Cayman Islands subsidiary for an undisclosed eastern overseas investor. It then claimed to be the sole beneficial owner of all the shares but has failed to produce evidence in support of its claims as required by the court, despite having been allowed additional time for the purpose.

The court order granted yesterday restricts the payments of dividends and other distributions on the 2m shares. The interim dividend of 2p per share payable tomorrow will not be paid on 700,000 of the shares which were registered in the name of Max Morel (Nominees) before the record date for the dividend.

The interim dividend on the balance of 1.3m shares for which transfers were registered after the record date for the dividend will remain payable to parties from whom Max Morel (Nominees) acquired the shares.

Intervision merger talks halt

Merger talks between Home Video and Intervision have been terminated.

In October Mr John Bentley, chairman of Intervision, said he was planning to merge the company, a video distribution concern, with Home Video whose deputy chairman is Mr Jack Gill the former managing director of Lord Grade's Associated Communications Corporation.

The two companies said yesterday that the merger negotiations could not be concluded to provide terms acceptable to the shareholders involved. Merger negotiations are to cease and the two companies will develop their interests independently.

PALMER CONSOLIDATED

A new company, Palmer Consolidated, has been formed to offer a range of land and marine inspection services and specialist equipment for the water, sewerage and energy industries. The company was set up by Mr John Davies, who along with Grosvenor Development Capital and Thames Valley Ventures are roughly equal partners in the new concern.

Mr Davies has the backing of equity and loan finance totalling over £500,000. Grosvenor and Thames Valley are backed by major institutions as well as Hafron Investment Finance, the venture capital subsidiary of the Welsh Development Agency.

JOHNSTONE'S PAINTS

Johnstone's Paints has purchased the development known as EZ1 comprising 26 new industrial units constructed by R. R. and J. Willan in the Salford enterprise zone for £775,000 cash. The site is leased from Salford City Council for a term of 125 years. There is an agreement to sublet the units to the Greater Manchester Council for 25 years at an initial rent of £67,473 per annum subject to review every five years.

EIS GROUP

In connection with the offers made on behalf of EIS to acquire all the ordinary and preference shares of Francis Shaw, acceptances have been received for 2.95m Francis Shaw ordinary shares (99.4 per cent). Acceptances have also been received for 98,366 preference shares (49.2 per cent).

The preference offer remains conditional as to acceptances and has been extended until Tuesday, December 7, 1982. The ordinary offers remain open for acceptance until further notice.

MOUNT CHARLOTTE

Mount Charlotte Hotels has contracted to purchase the freehold of the St George Hotel, Teesside, for a consideration of £210,000. It acquired the lease in August 1981.

JFB IN TWO TRANSACTIONS

Johnson and Firth Brown has despatched to shareholders circulars giving full details of both the formation of Sheffield Forgemasters Holdings and the sale of certain subsidiaries of JFB Holdings Inc to London and Midland Industrials. An extraordinary general meeting to approve the two transactions has been convened for December 15. The directors of JFB, advised by Hambros Bank, are strongly recommending shareholders to vote in favour of both.

The documents confirm that the essential terms of the two transactions are as already announced. They also include an estimate of the results of the JFB group for the year to September 30 1982 (which cannot be announced in full until after the EGM). The directors state that assuming completion of the Forgemasters transaction, the results for the year ended September 30 are expected to show that the JFB group incurred a pre-tax loss in the second half of approximately £1m which is substantially less than the £2.9m loss reported at the half-way stage.

These figures include results of the businesses being contributed to Forgemasters only up to July 3 1982.

Following the formation of Forgemasters and the completion of the agreement with LMI, JFB will have 31 wholly-owned trading subsidiaries with an annual turnover of some £100m and with about 4,000 employees.

CHANGE WARES

Change Wares says that the acquisition of the IFES business and related financial arrangements, described in the circular to shareholders and warrant holders dated September 14 1982, have now been implemented.

A further notice will be sent to warrant holders advising them of their rights to subscribe for ordinary shares of Change Wares as soon as possible.

WIMPEY-MARINE

Agreement has been reached for Wimpey Marine to purchase the shareholdings of Brown and Root in their jointly-owned companies, Brown and Root-Wimpey and Marine Base Stevedores. Both companies are engaged in oil industry support at Great Yarmouth, Norfolk.

It is the intention of Wimpey Marine to maximise the areas taken over to support the gas and oil industry. Areas of the Suffolk Road site, Great Yarmouth, are already being used for pipe storage, while other parcels of land are being developed on similar lines. Existing tenants of offices and work areas will continue to operate as previously.

JOHNSON MATTHEY

Johnson Matthey, the metals and financial group, has acquired The Hinton Hill Group, a company with Lloyd's insurance broking interests, in a deal worth £2.86m.

Payments will be made by the issue of 184,029 fully paid shares in Johnson Matthey and the balance in cash.

The company will become part of the Johnson Matthey banking group. The name of the holding company will be changed to Johnson Matthey & Hinton Hill.

FOSTER BROTHERS

Foster Brothers Clothing has completed the acquisition of Millets (Sutton). The exchange of contracts was announced on September 21 1982 when the consideration was dependent on the taxable profits of Millets for year to August 31 1982.

For the purpose of the agreement those profits were £300,000 after an exceptional cost of £150,000 and the initial consideration has been finalised at approximately £2.2m. This will be satisfied by the issue by Foster Brothers of 654,927 fully paid ordinary shares and £1.25m 8.75 per cent unsecured loan notes together with a cash payment of £386,500.

COATS PATONS

Glasgow-based Coats Patons Group has purchased for an undisclosed sum a further 35 per cent interest in Textile Mouldings, the Accrington technical plastics specialist, from the receivers of Stone Platt International. This will give Coats Patons control over Textile Mouldings.

U.S. property group seeks London listing

International Income Property, the U.S. property company, is to seek a listing on the London Stock Exchange. Mr Dick Dusseldorp, chairman, told shareholders in the latest quarterly report. The company presently anticipates that application would be made in conjunction with a public offering of common stock in the UK during the first half of 1983.

IIP has three U.S. shopping malls in Georgia, Pennsylvania and North Carolina. Last year, it doubled profits before depreciation to $3.01m.

LADBROKE INDEX

604-609 (+7)

Burmah Oil sells 14.99% stake in Croda

Burmah Oil has sold its 17.42m shares in Croda International, the speciality chemicals group, at a net price of 81 per share raising nearly £16m in the sale. The shares were acquired at 70p each on December 18 last year as a preliminary stage for a later takeover bid by Burmah earlier this year.

Burmah acquired its 14.99 per cent stake in a dawn raid but lost its later £79m takeover battle after a strenuous fight.

S. G. Warburg, the merchant bank, has acquired the stake from Burmah for £15.85m and has placed the shares with institutional and other investors in conjunction with L. Messel and Co.

Although Burmah now no longer holds any shares in Croda, the group said yesterday that "it does not mean we have lost interest. S. G. Warburg made us an offer to place the stake."

Mt. Charlotte in 'substantial' acquisition

Mount Charlotte Investments, the hotel group with catering interests yesterday announced that it had agreed, subject to contract, terms for a substantial acquisition involving several hotels.

The board asked the Stock Exchange Council to suspend the listing of the company's ordinary shares and convertible unsecured loan stock.

For the 28 weeks to July 11 pre-tax profits rose from £140,000 to £350,000 on a higher turnover of £7.88m against £5.82m. The suspension price of the shares—284p—values the group at £10.7m.

CHARLES HILL

Charles Hill of Bristol, the ship repairing and engineering group, and Kennedy Smale, the electro-mechanical, telecommunications and knitted gloves manufacturer, have agreed terms for a merger.

Hill will make a one-for-one capitalisation of ordinary shares and each £1 deferred share will be converted into a £1 deferred share carrying restricted voting rights. The offer is equivalent to seven ordinary shares in Charles Hill for every four ordinary Kennedy Smale.

A maximum 4.5m 10p Hill shares will be issued, representing some 74 per cent of its enlarged capital. There is an alternative offer of 186p cash for each Kennedy share.

Directors of Kennedy Smale and associated family trusts holding 56.7 per cent have undertaken to accept the offer.

J. & H. B. JACKSON

J. and H. B. Jackson is to dispose of its subsidiary Haynes, Ford and Elliott for a consideration of £90,000. Purchaser is Marehoak, a recently-incorporated private company wholly owned by two Haynes directors. Terms of the proposed disposal are considered to be fair and reasonable and shareholders are asked to vote in favour of a resolution to approve the sale at an EGM to be held on December 16.

BLACK & EDGINGTON

British Car Auction has increased its holding in Black and Edgington to 2.795m ordinary units (14.41 per cent).

CAPARO/BROCKHOUSE

Caparo Industries, a subsidiary of the Caparo Group, has purchased 570,000 ordinary shares in Brockhouse—5.03 per cent of the capital.

ESPLEY-TYAS

Espley-Tyas will not increase its offer for Howard Tenens. A circular explaining why the offer should be accepted is being sent to the shareholders of Howard Tenens who have not yet accepted the offer.

Royal makes £10m U.S. acquisition

The U.S. holding company of Royal Insurance has acquired a South Dakota insurance company, Milbank Mutual, for $16.6m (£10.2m) in cash.

Royal Insurance, which has about 40 per cent of its business in the U.S., says it is keen to supplement organic growth with acquisition.

Most of its present U.S. business is concentrated in the north eastern states and it is keen to expand its business into other parts of the country.

Milbank is primarily a personal lines insurer operating in nine mid-western and western states with net written premiums in 1981 of $48m ($65m before reinsurance).

Mr John Howard, Royal's chief general manager, said yesterday: "This strategic acquisition in the mid-west will complement the action taken in recent years through business development to increase our market share in areas of the U.S. where we see opportunities for profitable growth."

Under the agreement Milbank Mutual was merged into Milbank Insurance, a South Dakota stock insurer wholly-owned by Royal group.

Mr Kermit Erickson, vice president of Royal Insurance (U.S.), has been appointed chief operating officer.

W. CANNING

W. Canning has agreed in principle to sell its Australian subsidiary, Lawrence Smith and Canning Pty, to Healing Industries of New Zealand. The sale of the company, which makes and distributes specialist chemicals and allied materials to manufacturing industry, is subject to the approval of the appropriate Australian authorities.

The consideration is in excess of book value and amounts to approximately A$1.24m, payable in cash. Unaudited pre-tax profits of Lawrence Smith and Canning for the year ended September 30 1982 were A$70,000.

A further announcement will be made when terms are finally agreed, which it is hoped will be late January 1983.

ILLINGWORTH

In a letter to Illingworth Morris shareholders Mr Alan Lewis, the chairman of Abele, recommends acceptance of his company's offers of 14.75p and 10.25p respectively for the ordinary and A ordinary shares.

The letter draws attention to Illingworth's remarks concerning the bid and points out that Woolcombers (Holdings), which holds approximately 9.48 per cent of Illingworth's ordinary shares, has decided not to accept the offers.

However, it reveals that Woolcombers has pointed out that if sufficient acceptances are received enabling Abele to acquire compulsorily any outstanding stock under the provisions of the Companies Act, 1948, it would reconsider acceptance of the offers.

LONDON TRADED OPTIONS

December Total Contracts 1,527 Calls 1,222 Puts 305

Option	Ex'cise price	Jan. Closing offer	Jan. Vol.†	April Closing offer	April Vol.†	July Closing offer	July Vol.†	Equity close
BP (c)	260	56	2	65	4	–	–	308p
BP (c)	300	24	46	36	–	48	–	"
BP (c)	330	8	7	20	4	34	–	"
BP (c)	360	2½	8	11	–	20	–	"
BP (p)	280	6	25	11	–	–	–	"
BP (p)	330	30	3	40	–	48	–	"
CU (c)	120	11	1	15	2	17	–	126p
Cons. Gld (c)	390	62	–	75	2	85	–	444p
Cons. Gld (c)	420	44	8	62	–	78	–	"
Cons. Gld (c)	460	26	62	40	6	50	1	"
Cons Gld. (c)	500	9	10	18	6	–	–	"
Cons.Gld. (p)	390	7	20	18	–	25	–	"
Ctlds. (c)	80	4	–	7	–	9	2	76p
Ctlds. (p)	90	8	6	10	–	15	–	"
GEC (c)	187	32	–	44	2	–	–	[illegible]
GEC (c)	217	22	35	30	11	–	–	"
GEC (c)	237	11	26	20	21	–	–	"
GEC (c)	240	–	–	–	–	28	1	"
GEC (c)	260	6	35	10	20	17	–	"
GEC (p)	197	6	6	5	–	–	–	"
Gr'd Met. (c)	280	46	1	50	–	–	–	303p
Gr'd Met. (c)	280	28	6	33	10	38	26	"
Gr'd Met. (c)	300	18	22	28	40	30	–	"
Gr'd Met. (p)	280	6	20	8	–	11	1	"
Gr'd Met. (p)	300	13	4	16	6	21	–	"
ICI (c)	280	82	–	90	1	–	–	358p
ICI (c)	300	62	17	70	1	78	–	"
ICI (c)	330	38	42	44	58	52	1	"
ICI (c)	360	18	61	26	15	34	4	"
ICI (p)	280	5	–	8	10	–	–	"
ICI (p)	330	6	4	10	–	20	–	"
ICI (p)	360	15	60	24	20	28	–	"
Land Sec.(c)	240	22	6	30	–	39	–	262p
Land Sec.(c)	260	10	3	20	–	27	–	"
Land Sec.(p)	260	16	8	16	–	21	–	"
Mks & Sp. (c)	220	10	8	23	2	29	–	227p
Mks & Sp. (c)	240	7	5	12	22	16	–	"
Mks & Sp.(p)	200	4	8	7	–	10	–	"
Mks & Sp.(p)	220	8	20	14	–	18	–	"
Shell (c)	460	4	1	16	–	24	–	412p
Shell (p)	390	8	9	15	–	20	–	"
Shell (p)	420	23	26	26	–	30	–	"
		February		May		August		
Barclays (c)	360	48	2	55	–	73	2	386p
Barclays (c)	390	28	2	40	–	50	–	"
Barclays (p)	390	22	8	33	2	42	–	"
Barclays (p)	420	45	8	56	–	–	–	"
Imperial (c)	100	19	2	21	1	–	–	116p
Imperial (c)	110	11	8	15	–	19	–	"
Imperial (c)	120	7	4	10	36	14	–	"
Lasmo (c)	280	52	1	62	–	67	–	304p
Lasmo (c)	300	40	13	50	–	57	–	"
Lasmo (c)	330	25	111	32	3	40	–	"
Lasmo (c)	360	10	5	21	–	–	–	"
Lasmo (p)	300	20	7	30	1	67	–	"
Lasmo (p)	330	42	1	50	–	60	–	"
Lonrho (c)	80	10	6	13	–	14	–	88p
Lonrho (c)	90	5	–	7½	2	8	–	"
Lonrho (c)	100	2	10	3½	58	–	–	"
P & O (c)	120	5	1	9	51	12	–	106p
P & O (c)	130	6	3	1	44	8	–	"
P & O (c)	160	1½	–	16	–	–	17	"
P & O (p)	120	14	2	25	10	20	–	"
P & O (p)	130	23	12	35	–	27	–	"
P & O (p)	140	33	2	55	–	–	–	"
P & O (p)	160	53	2	63	25	–	–	"
Racal (c)	550	50	1	67	–	88	–	577p
Racal (c)	600	26	4	47	25	67	–	"
Racal (p)	550	18	2	29	–	40	–	"
Racal (p)	600	40	1	50	–	60	–	"
RTZ (c)	460	28	6	35	6	42	4	434p
Vaal Rfs. (c)	60	42	6	–	–	–	–	390
Vaal Rfs. (c)	60	32	–	33	1	–	–	"
Vaal Rfs. (c)	80	15	2	15	8	17	20	"
Vaal Rfs. (c)	90	5½	36	10	115	12	6	"
Vaal Rfs. (p)	80	3	5	8	2	7	–	"
Vaal Rfs. (p)	90	6	5	6½	–	8½	–	"

C=Call P=Put

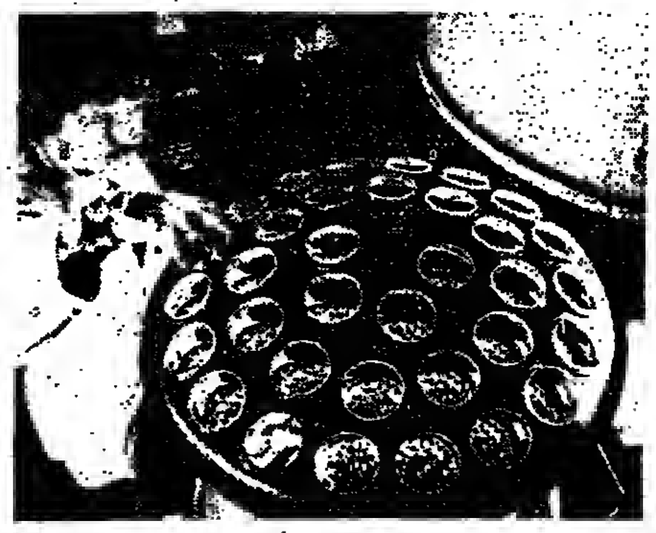
† as at 2.15 pm

FINANCIAL TIMES SURVEY

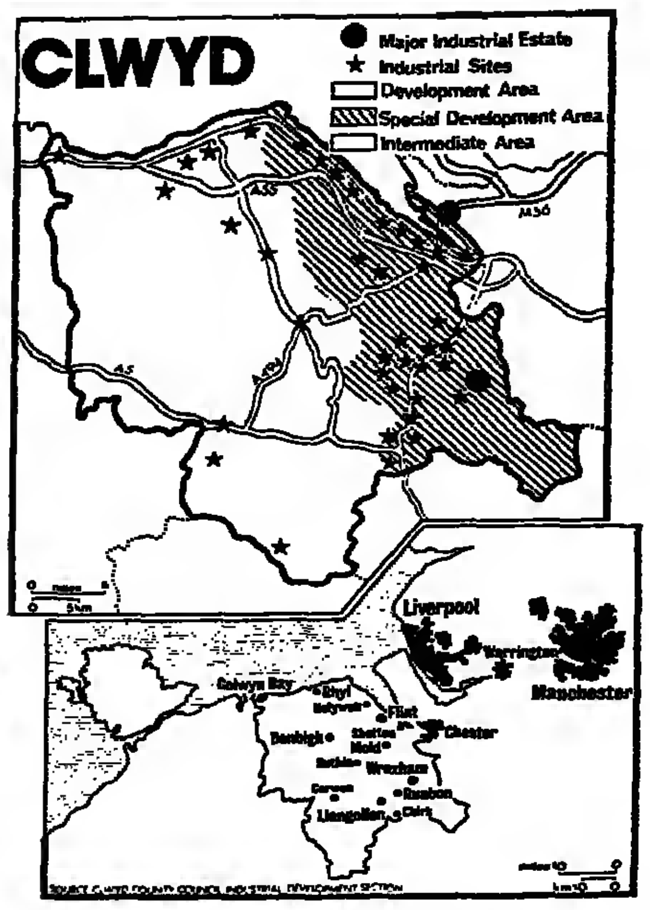
Thursday December 2, 1982

Clwyd

Unemployment is high and the county is still losing more jobs than it is gaining. But the alarming steel rundown at Shotton has triggered a major industrial reconstruction



Checking lenses in the coating jigs before anti-reflection coating in the vacuum coating department of Pilkington P.E. at St. Asaph. The company produces a wide range of optical coatings covering the ultra-violet, visible and infra-red spectrum.



Not winning yet but looking ahead

"NO, WE ARE not winning yet. But we are laying foundations which will put us in a position to win." The comment is that of Mr Mervyn Phillips, Clwyd county council's chief executive. It represents a fair summary of the county's current economic position, as it battles to create an economy adapted to the world of the 1980s and 1990s.

Few parts of the UK have been worse hit by the impact of massive structural decline. But, equally, few similarly-placed areas are wrestling as effectively with the industrial problems which confront them. Clwyd is not yet within sight of success, yet beneath the structural dismantling is growing up—at a remarkable rate given the intensity of the current recession—a new diversity of industry, which is quite different from the industry which has been, and is still being, lost.

Dark economic storm clouds first appeared on Clwyd's horizon exactly a decade ago. At the end of 1972, the British Steel Corporation announced its ill-fated strategy for the 1980s. Although it proposed an overall major expansion in steel production, since abandoned, it also envisaged the phasing out of iron and steelmaking at BSC's Deeside Shotton works, with thousands of redundancies.

The Shotton closure announcement marked the end of an era. Although the rundown did not take place until 1980, because of the 1974 Beswick delays in steel plant closures and a spirited campaign by the Shotton workforce to secure a more modern steelmaking method, it signalled the beginning of a major upheaval in Clwyd's economic life.

The area was no stranger to economic change. The rundown of the North Wales coalmining industry during the 1960s had meant important changes in the local economy. But in the more buoyant economic conditions of that period there was a good inflow of major new manufacturing employers to provide alternative job opportunities.

Clwyd was not then classified as an area in economic difficulties but one whose economic success, growing prosperity and environmental attractiveness were producing a steady net immigration into the county, notably from the neighbouring parts of England. It had a reputation for exceptionally good labour relations which continues to this day.

The county of Clwyd itself is a product of the 1974 reorganisation of local government. It comprises the old county of Flint, most of Denbighshire, and a small part of former Merioneth. It is divided into six districts, two of which, Wrexham Maelor and Alyn and Deeside, are the main centres of industry.

Successful industrial concerns are also to be found in other parts of the county, but the main economic activities on the northern coast and inland along the beautiful Vale of Clwyd and in and around Llangollen are tourism, agriculture and forestry.

The county's current population is 380,000 but this is forecast to rise in the coming years not least because of a continued inward migration by retired people and others, particularly from the north-west of England.

The immigration influx also means additional pressure on Clwyd's Welsh language community. Although the absolute number who speak Welsh in the county rose in the 1970s, in line with the growing enthusiasm for Welsh bilingual education, the proportion of Welsh speakers fell from 21.4 per cent in 1971 to 18.7 per cent in 1981, just below the average for Wales as a whole.

This survey written by Robin Reeves

Economically, by the mid-1970s, and long before the Shotton rundown was implemented, the county was starting to be hit by the growing difficulties of the European textiles industry. Two major Courtaulds plants in the county were closed outright and employment in a third was heavily cut. One other remains.

As the more difficult economic climate tightened its grip, many other seemingly permanent features of the local industrial landscape were driven to the wall.

But the impact of the Shotton rundown dwarfed the redundancies before and the many declared since. It resulted in the overnight loss of more than 7,000 jobs—since increased to 8,000—making it the largest single industrial lay-off in post-war Britain, and possibly Europe.

Today, Clwyd's unemployment rate stands at 19 per cent. The county is still losing more jobs than it is gaining, yet it continues to be faced with increases in its labour force as the 1960s birthrate rise works through to the labour market.

However, the trauma of Shotton has been the signal for a major industrial reconstruction effort. The intial response from central government included the upgrading of Deeside as well as the Wrexham area to Special Development Area, thereby giving a large area of the county the maximum 22 per cent regional grants on building, capital and machinery. It also made available a special cash injection of £15m for advance factory building and infrastructure improvements.

This in turn triggered a massive factory building effort by the Welsh Development Agency, notably through the development of a major new estate, Deeside Industrial park, immediately next to the Shotton steel works.

BSC itself had already done a fair amount of ground work. BSC (Industry) the corporation's job creation arm, established a presence on Deeside as early as 1975 under the management of Mr Peter Summers, a great grandson of the Shotton steelworks founder. Half of Deeside Industrial Park is still owned by BSC (Industry).

However, following the corporation's decision to wind down this side of its activities by March 1984, the same functions have recently been taken over by Deeside Enterprise Trust, which has involved a broader base of support, ranging from the county council and local companies and chambers of commerce, to trade unions.

The county council itself has also been very much in the forefront of the battle. Despite the severe squeeze on local authority expenditure, it has made industrial renewal its top priority and is devoting nearly £1.5m to encouraging inward investment and to a steady flow of initiatives aimed at promoting growth from within the county itself.

The latest include the promotion of a Clwyd Industrial Innovation Centre, linked to the county-based North-east Wales Institute of Higher Education, and the phased development of a further 736 acres in the Dee estuary—including the former steel works site—at a cost of £24m over the next five to six years.

This scheme also includes a new major road and river crossing of the Dee, at Connah's Quay, at a further cost of £15-£30m.

The County Council has also established a well-staffed industrial division led by Mr Wayne Morgan, the County Industrial Development Officer, with activities ranging from the building of small workshop complexes ("pinfolds") and encouraging the setting up of new businesses by a small business fund and advice service, to the arranging of consultancy studies and chasing up inquiries for premises.

The district councils have also been maximising their efforts. Wrexham Maelor Council, in particular, has long been active in encouraging new industry and has achieved considerable success. It is responsible for the new 16-acre, £4m Whitegates Industrial Estate, which offers units upwards of 500 sq ft, protected by a 24-hour security system, which is specifically aimed at high-technology ventures.

There are many bright spots, as some of the industrial sectors highlighted elsewhere in this survey illustrate. Others include the recent expansion of British Aerospace's factory at Broughton, which is responsible among other projects for manufacturing the wings for the highly-successful European Airbus.

The government has just also given the go ahead for the National Coal Board's oil-from-coal pilot project, which is to be sited at Clwyd's Point of Ayr colliery and could provide important spin-offs.

Rapid progress is now being made on improving the county's communications. The English motorway network has been easily accessible for a number of years, putting the Midlands and North West within easy reach, and Manchester's international airport links within three quarters of an hour's drive.

Now, work to make the A55 all dual carriageway, which will provide a major arterial link across the county, is under way. Overall, the Welsh Office is budgeting to spend £100m on major road improvements within the country over the next five years, and the county council is spending a further £25m over three years.

Clwyd's immediate objective is to reduce its unemployment level to the national average and, in the circumstances, it has made an excellent start. About 260 new companies have moved into the county in the past five years.

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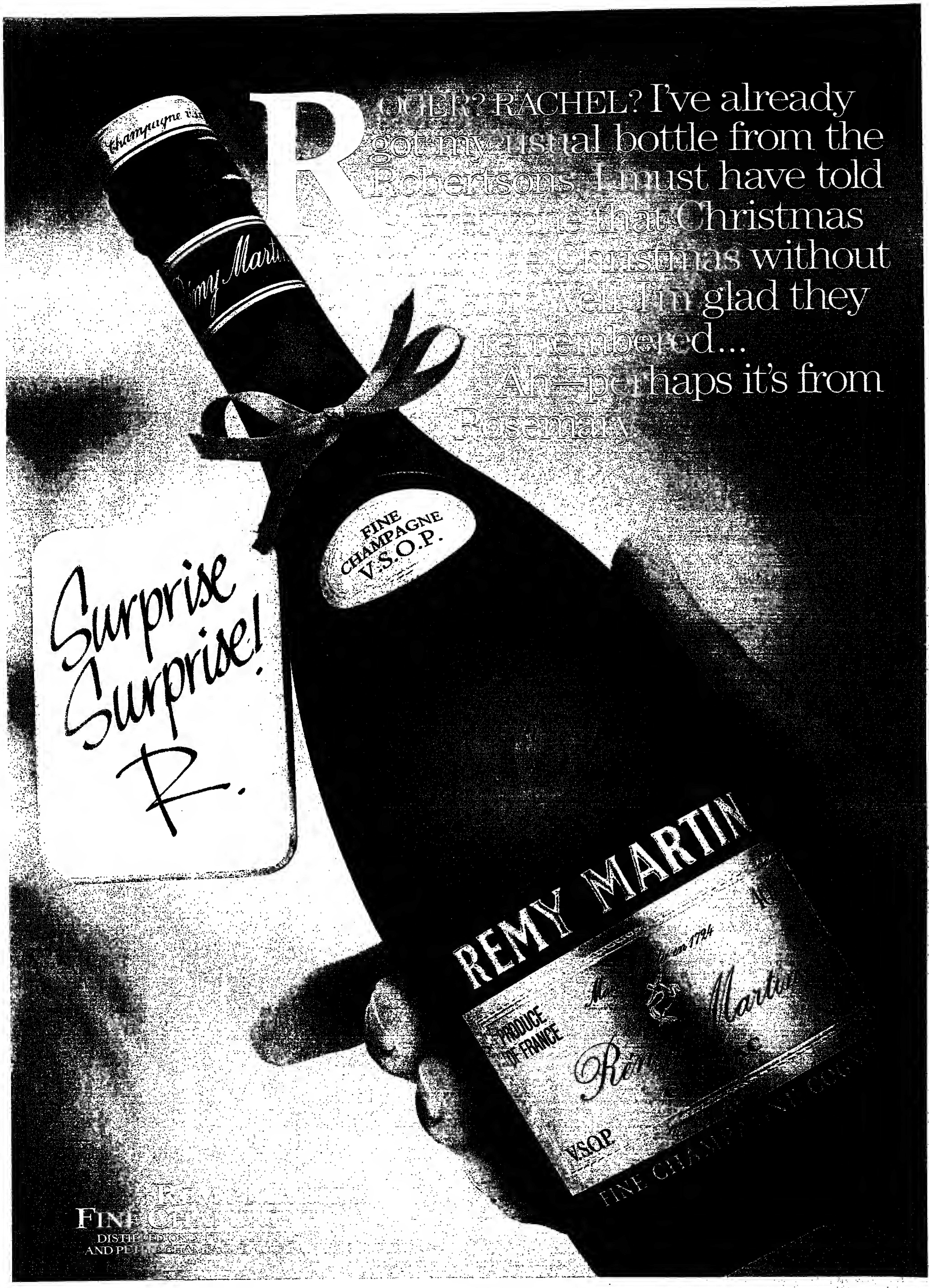

ROGER? RACHEL? I've already
got my usual bottle from the
Robertsons. I must have told
that Christmas
Christmas without
Well, I'm glad they
remembered...
Ah—perhaps it's from
Rosemary.
Surprise
Surprise!
R.
Champagne
Rémy Martin
FINE CHAMPAGNE V.S.O.P.
REMY MARTIN
PRODUCE OF FRANCE
V.S.O.P.
FINE

Advanced metals seek markets

THE CLOSURE of iron and steelmaking at the British Steel Corporation's Shotton works has far from severed Clwyd's connections with the metals industry in general. Shotton itself remains the largest steel coatings centre in Europe but significantly too the county is attracting a new generation of enterprises involving scientifically interesting and more advanced metallurgical technology.

Last month a major new £25m titanium production plant was opened on Deeside to meet the demand for this metal's unique combination of strength, lightness and corrosion resistance. Capable of producing *5,000* tonnes a year of titanium granules by the sodium method, it replaces an ICI plant at Middlesbrough which is being phased out.

Its construction was triggered by the need to secure an indigenous supply for high-grade titanium metal for Rolls-Royce aero-engines and IMI's titanium alloy business generally. Both are minority shareholders in the venture, though the major shareholder has become Billiton (UK), part of the Royal Dutch Shell group of companies.

At the same time Deeside Titanium will be the only high-grade titanium plant in Europe and it is already searching for markets on the Continent. Although the world market is somewhat depressed at present, the company has every confidence in its long-term future es new applications are developed.

A few miles away near Mold a new company, *Mixalloy*, is developing a technology licensed from BSC, producing metal strip alloys from metal powder rather than hot metal. The parameters in the new technology are still being explored, not least in response to potential customers' requirements. The method offers more flexibility, by allowing the production of small quantities, and the ability to produce alloy combinations not possible via the hot metal route. The directors include two men closely involved in the initial research which was carried out at Shotton.

Brainchild

Again on Deeside the British Technology Group and Prutech, the high-technology subsidiary of the Prudential Assurance Company, are backing the construction of a £1.2m metals recovery plant to be run by *Chapman Metallurgical*. The project is the brainchild of Mr Quentin Chapman who has invented a new process for the recovery of precious and semi-precious metals from scrap produced by aerospace and other industries.

In Wrexham Gould Activair is just in the process of getting into production of button cell batteries based on the zinc-air principle. The technology is only seven years old, making the U.S.-owned company confident that in time it will replace the conventional mercury and silver based button battery in many of its uses, notably in hearing aids, watches, electronic games and memory units in computers.

The zinc-air cell has a far longer shelf-life, does not create pollution problems (mercury) and its basic raw material, zinc, is far cheaper. The company is already discussing the possibility of producing larger cell sizes using the same principle. Meanwhile the Wrexham plant will be responsible for supplying all world markets outside the Americas.

Aid plan for papermaking

IT IS a paradox of the current economic climate that only a matter of months after the closure of Bowater's Paper Mills at Ellesmere Port in Cheshire, the Finnish-owned United Paper Mills group should be contemplating building a 180,000 tonnes a year newsprint plant on Deeside, involving investment by the company of some £120m.

It is by no means certain that the project will go ahead. One difficulty is the amount of Government aid which would be available. UPM is reported to have asked for £45m. Given that the plant would be highly automated and create only some 275 jobs directly, such grant aid would make it very expensive in terms of job creation.

But assuming these problems are overcome, the project promises significant benefits for the whole of North Wales. It has been suggested that it would create about 1,200 spin-off jobs, particularly in forestry.

The logic of establishing a newsprint mill at Shotton is that virtually the whole of the UK newsprint market has currently been met from imports. At the same time, half a century of forestry planting in Wales and other accessible parts of the UK will now ensure an adequate supply of mature raw material. An integrated mill equipped with modern thermo-mechanical pulp and newsprint equipment should have the productivity to override the difficulties experienced by other UK paper mills in recent years.

The increasing availability of Welsh timber was certainly a key factor behind the decision of the Austrian-owned Kronospan group to build a major chipboard plant at Chirk, south of Wrexham, in the early 1970s. Although the market has not been easy, continuous investment at Chirk has created steady expansion, to the point where Kronospan now accounts for about 30 per cent of home-produced chipboard in the UK. It is also the largest single customer of the Forestry Commission in North Wales.

The company is currently investing a further £2.5m in a new production line which is expected to provide work for a further 60 to 100 people on top of the 350 already employed.

Meanwhile, another well-known name in this sector—Kimberly-Clark, the maker of Kleenex Tissues—is in the process of building a £15m 106,000 sq ft plant at Flint to enable the company to break into important and growing markets for non-woven materials.

Non-wovens are cloth-like materials made by non-traditional methods, generally using webb or matt of natural or artificial fibres. Stronger than conventional soft tissue products made from wood fibre, they have a multitude of applications, such as linings of clothes, backings for carpets, padding for soft furnishings, household cloths and artificial leather for shoes.

Flint will be producing non-woven base materials for conversion into industrial wipers and feminine hygienc products. Both the technology and markets are fairly close to those already familiar to the company.

Optical fibres developing fast

FEW COUNTIES are better placed than Clwyd to benefit economically from one of the most far-reaching new technologies to be developed in recent years—optical fibres.

The presence within the county's borders of one long-established company in the optical field, Chance Pilkington, at St Asaph, and probably the most recent market competitor, the Japanese-owned Hoya Lens Corporation at Wrexham, underlines Clwyd's importance in ophthalmic lens manufacture.

But the county has also had a stake in fibre optic technology for more than a decade, thanks to another Pilkington subsidiary based at St Asaph, Pilkington PE, which is the glass group's arm most concerned with high-technology applications. One of the world's first commercial facilities for the production of *optical fibre and fibre bundles* was opened there in 1976.

Now Deeside is the location for a major £17.5m joint investment by BICC and the U.S. Corning Glass company in the first high volume optical fibre manufacturing plant. The plant, being run by an autonomous jointly-owned company, Optical Fibres, is due to begin production in February and be in full production by next June—turning out 100,000 km of optical fibre a year.

Checking an optical component during final assembly of a head-up display for a fighter aircraft.

Advantages

Since work began on the new plant 12 months ago, British Telecom has decided to take the plunge and embrace the advantages of optical fibres for its trunk telecommunications routes, that is, their very large message-carrying capacity and complete freedom from electrical interference.

The decision not only *guarantees* the *Deeside* plant an early return on its investment, but also means that it is no longer a question of if or when the market for optical fibres will develop. The market is clearly now going to develop very rapidly in competition with conventional copper cable.

The Deeside plant already has plans for increasing its capacity in 1984-86, as well as introducing technological modifications in the plant during 1984, which is a measure also of how rapidly the technology is still evolving.

A further sign of the times *is that, this year, Pilkington* has reorganised its optical fibre effort under the umbrella of a new electro-optical division, centred mainly in Clwyd. Pilkington PE's operations range from the design and manufacture of head-up display optical systems for the U.S. F16 Air Combat Fighter, and moving map display systems for the *Tornado, Nimrod and U.S. F18* Hornet Strike Fighter, to a unique solar slide material to protect satellite solar cells from damaging radiation in space.

This product has been *selected* for most *U.S.* and European communication, military and technology satellites. One expansion programme has already been announced this year and another is in the offing. Interestingly, too, whereas a decade ago, some 90 per cent of glass and metal components were brought in, the same percentage is now *being manufactured on site*.

Immediately next door, Hytran Products, now renamed Fibre *Optic Technology*, is developing and manufacturing a range of optical cables, connectors and accessories, couplers, photo-detectors, digital and analogue transmitters and receivers as well as opto-electronics sub-systems, light sources and light guide products. The data communication industry is currently *growing at a rate of 14 per* cent and Pilkington sees optical's share as likely to grow faster.

Fibre optics also offers a means of creating sensors and scanners for the monitoring of shapes, surfaces or properties. As well as developing sensors for cigarette manufacture, for example, St Asaph is also producing prototypes for the sensor reading of tickets sold by the French National Lottery in cities, towns and villages throughout France. Assuming the system proves acceptable, its introduction will open up a major new market for Pilkington's optical technology.

A few miles away, Brangiea, now renamed Pilkington Security Systems, moved this year from Hampshire into an advance factory at Denbigh to develop and manufacture fibre optic-based security systems. It makes security fences incorporating fibre optics which rely on the secure transmission of a coded light source via a fibre optic around the perimeter of a strategic or vulnerable site. Any break in the transmission immediately sets off an alarm. The system also pinpoints where the break has occurred.

It is expensive, but among the advantages are an extremely low false alarm rate, very low power consumption, and it is simple to repair.

Another spin-off from the *country's growing optical* expertise is the recent formation of a new company, Metro Optical at Prestatyn, to manufacture precision optical components to customers' individual requirements. The directors are all former employees of large companies in the field, who saw an opportunity to exploit a gap in the market by combining small company *costs* with big company skills and expertise.

Bold investment in consumer durables

TIMES ARE hardly auspicious for major new investment in consumers' durables. Even European market leaders such as Zanussi are expressing concern at the state of the market and the impact of competition from other parts of the world.

This makes the decision of GEC'o Hotpoint subsidiary to invest £20m at Bodelwyddan, near Rhyl, to expand its output and range of washing machines and tumble driers all the more remarkable. It is tribute both to the confidence of the company and its faith in its workforce.

The plant began in the days after the *1939-45 war* as Associated Electrical Industries just manufacturing domestic appliances at Llandudno Junction. By 1974, when it became part of the GEC holding subsidiary, GEC Schrieber, the Llandudno *Hotpoint factory* was *making* 6,000 washing machines and tumble driers a week.

Mr Chaim Schrieber's arrival as Hotpoint chairman, set in train many radical changes, both within the factory through the introduction of such incentives as profit sharing and outside in Hotpoint's marketing arrange*ments*. *Servicing arrangements* were streamlined and greatly speeded up.

The net result was a steedy improvement in production and sales to the point where Hotpoint, with a 22 per cent share of the UK market, *could con*template further expansion.

Ideally, this would have taken place in new plant alongside the Llandudno Junction factory, but there was simply no land available. But the Kinmel Park estate at Bodelwyddan, a few miles away, proved an adequate substitute.

The onset of the recession delayed the stort of the expansion by 12 months. But it is a measure of Hotpoint's competitiveness in the market place that short-time working lasted only *a few weeks*. *The company* felt sufficiently buoyant to press ahead with its *investment* plans in the depths of the recession.

Improved

The new 243,000 sq ft factory is tooled up for an improved range of Hotpoint washing machines. Production began last August using just one production line and one shift. But there is capacity for four production lines operating three shifts, which will double the company's North Wales capacity. In addition, there will be a tumble dryer line which is scheduled to start up in the New Year.

Although these are early days, the introduction of one large press for profiling, the use of pre-painted steel, and micro*processor control of* the whole assembly operation already has resulted in a 30 per cent improvement in production efficiency at the new plant.

Fears that the investment will lead to the eventual closure of the Llandudno Junction factory are strongly rebutted by the local management. The older *factory will continue to produce* top loaders, twin tubs and components for Kinmel. Its future is not in doubt, they insist. Having spent £20m, Hotpoint's target rather is the 45 per cent of the UK market still taken by *imports*.

Expanding role for higher education

IT IS no accident that the North East Wales Institute was chosen by the Government this year as one of 12 centres throughout the UK to try out its new training initiative on a pilot basis before the scheme's full introduction next September. The Institute, which groups all Clwyd's former independent colleges of high education, has proved itself to be one of the more dynamic institutions of its kind in the country; one which takes its responsibilities for rapidly changing education and training needs of the local community very seriously and which recognises the key role it has to play in the regeneration of the local economy.

Besides providing a comprehensive range of full and part-time courses, from art and design through commerce, construction and engineering to management, business and trade union studies, the institute also carries on a great deal of practical research for industry in a variety of fields which has led in a number of instances to new products and processes.

In 1980-81, despite the growing impact of the Government's cuts in education, the institute took in more than ever before—12,361, a high proportion of them full-time. This was made possible by the impressive growth in the institute's external income which last year totalled over £3m or approaching one third of its total expenditure.

In the words of Dr Glyn O. Phillips, the Institute's Executive Principal, "This money from industry, commerce, foreign governments and a variety of training agencies is, in every sense, our life-blood now. The number of unemployed Clwyd school-leavers, or redundant industrial employees who can be trained or retrained, is critically dependent on this external income."

Internationally, the institute has established close links with the Sudan, Cyprus, Jordan, Oman, Malaysia and Nigeria to help these countries with the development of their own higher education and training facilities. More recently the institute has also established a link with the University of Wisconsin in the U.S. with the aim of developing workable schemes for student and staff exchange and joint course development.

A new dimension has also been added by the creation of an International Management Centre within the institute, with its own accommodation for overseas visitors, for meetings, specialist seminars and other activities aimed at helping Third World countries in the field of higher education.

Sharp rise

The worry is that this now vital source of income may be undermined by the recent steep increase in tuition fees for foreign students insisted upon by the Government—there are already signs of this happening—which in turn will curtail the institute's comprehensive range of activities directed towards tackling Clwyd's own economic problems.

Two projects in particular vividly illustrate how the institute is allying itself with the country's economic needs and aspirations. One is the setting up of Clwyd Technics—a commercial company to make electronics components in partnership with an officially-sponsored Information Technology Centre. This will enable school-leavers to receive not only training in information technology but also acquire realistic work experience manufacturing products for the commercial market.

The other is the institute's proposal to establish a £1m Clwyd Industrial Innovation Centre to provide comprehensive research, development, consultancy, design, manufacturing and other support services at a minimum cost to local industry.

The NEWTECH Centre is no pipedream but a logical development of the research, training and services the institute has been offering to industry for many years. Initially the centre will have to be supported by funding from such sources as the institute itself, the county council, the EEC and Urban Aid but the aim is that it should eventually become financially self-sufficient.

Development of the NEWTECH Centre will be phased. The first step will be to establish its managerial and communications staff, after which the first technical groups will be incorporated—a microelectronics development service, a chemical and bioanalytical service and a design and manufacturing facility to cater specifically for the needs of small companies.

The broader research and development requirements will be provided by secondment from the 60 graduate-strong Research Division of the institute itself or be subcontracted to other suitable centres. In this way, companies will have access to academic facilities while staff and students will gain experience of industry.

Clwyd's model is Canada, where "Discovery Parks" are being placed alongside every university in a move to ensure that new ideas do not languish inside academic institutions but are converted in marketable products and new jobs. Dr Phillips sees the innovation centre as a half-way house towards establishing a fully-fledged "science park" in the county which would become a growth point for high technology. "The innovation centre is no longer a luxury, but a necessity if Clwyd is to be put on the road to full economic recovery," he says.

USEFUL ADDRESSES

CLWYD COUNTY COUNCIL: Shire Hall, Mold, Clwyd, CH7 6NB. Tel: Mold 2121, Telex: 61454. County Industrial Officer: Wayne S. Morgan.

WELSH OFFICE, Industry Department: North Wales District Officer, Government Buildings, Dinerth Road, Colwyn Bay, Clwyd, LL28 4UL. Tel: Colwyn Bay 44261.

WELSH DEVELOPMENT AGENCY: Wrexham Estate Office, Wrexham Industrial Estate, Wrexham, Clwyd LL13 9UF. Tel: Wrexham 610 11.

DEESIDE ENTERPRISE TRUST: Park House, Deeside Industrial Park, Deeside, Clwyd CH7 2NZ. Tel: Deeside 815 262.

ALYN AND DEESIDE DISTRICT COUNCIL: Council Offices, Hawarden, Clwyd. Tel: Hawarden 532312.

COLWYN BOROUGH COUNCIL: Civic Centre, Abergele Road, Colwyn Bay, Clwyd. Tel: Colwyn Bay 55271.

DELYN BOROUGH COUNCIL: Halkyn Road Offices, Holywell, Clwyd. Tel: Holywell 710 710.

GLYNDWR DISTRICT OFFICE: Council Offices, Ruthin, Clwyd. Tel: Ruthin 2201.

RHUDDLAN BOROUGH COUNCIL: Council Offices, 34 Russell Road, Rhyl, Clwyd. Tel: Rhyl 4752.

WREXHAM MAELOR BOROUGH COUNCIL: Guildhall, Wrexham. Tel: 364 611.

CLWYD NOTEBOOK

Channel 4's present

● Outside Wales at least, the county is still experiencing an uphill battle in making its post-1974 local Government reorganisation name stick in the public consciousness.

Still better remembered are Clwyd's main constituent parts, the old counties of Flintshire and Denbighshire. If Clwyd's name has sunk in, it tends to be more in artistic than industrial circles, thanks to the good reputation acquired by Theatr Clwyd, the county's fine municipal arts complex at Mold, which attracts as much of its audience from across the English border as from Clwyd itself.

Matters may have been improved by the recent Equity dispute over Channel 4 advertising. A Clwyd industrial promotion advertisement escaped Equity's black list and, because of the shortage of other advertisements for the first few days of the new channel, it was given an extra dozen free showings.

● Clwyd, until recently, used to be something of a mass media "no-man's land." Although ostensibly served by the Cardiff-based Welsh TV and radio networks, there was inevitably a southern bias in English language programming, while the Welsh language output tends to be directed more at west and North-west Wales, the Welsh-speaking heartland.

At the same time, Granada TV, broadcasting from Manchester, has also long regarded Clwyd as part of its patch, and Liverpool's commercial radio station, Radio City, has sought unashamedly to expand its audience in the county.

But now the county is beginning to develop its own voice. The first taste of local radio proper was a highly successful BBC community radio experience at the time of the Shotton rundown. The audience achieved by a BBC outside broadcasting caravan parked in the Deeside leisure centre was so great that the Corporation was obliged to extend the experiment for several more months.

BBC radio has established a permanent presence, by providing a "Radio Clwyd" opt out from Radio Wales for two hours each morning at breakfast time.

Meanwhile Harlech Television (HTV), Wales's commercial TV contractor, has also established offices in the Theatr Clwyd complex in Mold. With a direct link to Cardiff installed, it is now broadcasting regular programmes from Mold, as well as local news inserts.

Last but not least, a building for one of the new generation of local commercial radio stations, Marcher Sound, is now taking shape just outside Wrexham. Planned to serve the Chester and Deeside areas, it is due on the air next year.

● A whiff of the forthcoming general election is to be found in Clwyd's local weekly newspapers these days. In one, Mr Geraint Morgan, the maverick Conservative MP for Denbigh, was berating his Tory Ministerial colleagues in the Welsh Office over the sale of some local hospital premises. Mr Morgan, in common with many other MPs, is clearly out to sharpen his profile as a good constituency man in what will be one of the more interesting Welsh seats at the next general election.

In recent contests, the Liberals have still managed a good second and it is the kind of seat which the Alliance must win if it is to fulfil its electoral ambitions. The Liberal candidate is James Lewis, a seasoned Guardian journalist, who began nursing the constituency soon after the last general election.

● Clwyd has four MPs at present, but the number will go up to five next time round, assuming recommended boundary changes are implemented before Mrs Thatcher decides to go to the country. The plan is to create a new constituency in the south east corner of the county, mainly by splitting the Wrexham constituency of Tom Ellis, one of the founding Social Democrat MPs.

Mr Ellis is expected to defend his switch in the new—more rural—constituency. This would leave the new Wrexham Labour candidate, John Marek, an Aberystwyth lecturer in mathematics, with an easier task in the other half, which includes Wrexham town itself.

Of the other seats, West Flint is represented by Sir Anthony Meyer, a former diplomat who achieved notoriety during the Falklands conflict by voicing grave doubts over the wisdom of despatching the task force.

East Flint's MP is Barry Jones, a close confident of Denis Healey and the only Welsh Labour MP left outside the industrial south. It is a far cry from 1966 when Labour held 32 of the current 36 Welsh constituencies.

● One of the consequences of Clwyd's economic problems and its efforts to overcome them, is a steady flow of visits by Government Ministers and EEC officials. The last few weeks have seen tours by Nicholas Edwards, the Welsh Secretary, an Industry Minister and both of Britain's Brussels Commissioners, Mr Christopher Tugendhat and Welsh-born Mr Ivor Richard.

Mr Richard's duties included performing two opening ceremonies within an hour of each other; one an information technology centre and the other a craft centre. Both projects were of a kind which was essential if the EEC was to dent its current—and still rising—unemployment level, he stressed. Europe's large companies would never again employ the same numbers.

Having made the right noises about grass-roots initiatives, Mr Richard did not escape without being presented with the detailed scheme—for which another large slug of EEC money is being sought—for Clwyd's proposed industrial innovation centre.

Rhyl's Sun Centre pays off

NEW INDUSTRY alone is not going to solve Clwyd's economic difficulties. The county is recognising increasingly that an important contribution to the creation of new jobs could also come from tourism, providing the right investment is made in facilities and marketing.

In the past, Clwyd's tourist potential has not always been exploited wisely. The mushroom growth of caravan parks along the northern coast, centred on Rhyl, while undoubtedly very profitable for some in the short term, has become something of a drawback when it comes to trying to develop a more balanced tourist sector.

Because of this unbridled growth, 75 per cent of Clwyd's holiday accommodation—over 88,000 bed spaces—is in caravans—the highest such concentration in Britain. During the 1960s and 1970s, many—some would say far too many—larger houses in Rhyl notably were converted into flatlets and other self-catering accommodation in a headlong attempt to take advantage of one growing trend in the tourist market.

The net result is that hotels currently account for only 3.8 per cent of Clwyd's bed spaces—a remarkably low figure for a major holiday area in which about 14 per cent of the working population is dependent, in one way or another, on the tourist industry.

Clwyd's excuse for this imbalance—and it has some validity—is that until three years ago, Clwyd's section of the north Wales coast was ineligible for capital improvement grants under the 1969 Development of Tourism Act. This encouraged the main tourist area to go downmarket to attract additional business, rather than upmarket by providing hotel and other better class accommodation.

Hampered

But the lack of past investment to cater for a wider range of visitors is not only hampering efforts to expand the contribution of the tourist industry but also presents serious dangers for the future, given the impending sharp improvement in the region's communications.

Widening of the A55 to dual carriageway through to Gwynedd could easily lose Clwyd as many tourists as it gains, by making it far easier for visitors to push on to the beaches of Anglesey and the beauties of Snowdonia; that is, unless steps are taken to improve and market the county's tourist potential.

To be fair, Rhyl has already taken a bold step in the right direction. The town's local authority, Rhuddlan Borough Council, threw caution to the winds and invested the largest part of £4½m to build the now well-known Sun Centre.

Its popularity has proved phenomenal. Last year, more than half a million visitors passed through the Sun Centre's doors to take advantage of its wide range of entertainment and leisure facilities—making it easily Wales's most popular single tourist attraction.

For the future, Rhyl is hoping to develop a yachting marina as part of a Wales Tourist Board strategy for establishing a chain of marinas from Penarth in the south right round the Welsh coast to Rhyl in the north. However, the WTB strategy looks primarily to the private sector to provide the necessary investment, though it would be backed to the hilt, where possible, by public sector grants and loans.

In the meantime, Rhyl is left with the problem of developing a better mix of accommodation. It could do well to examine experience on the Continent where the over-extension of caravan sites has been tackled in an imaginative fashion by putting up permanent buildings such as chalets.

Inland, too, there is undoubtedly scope for an increase in the right kind of hotel accommodation and tourist amenities. The recently-opened Ruthin Craft Centre is an example of a scheme designed to persuade car-borne tourists to stop off on their way to the coast and spread some of the financial benefit inland.

But, generally speaking hotels are a bit thin on the ground in the eastern half of the county, apart from the Llangollen area. Those that do exist do a very good year-round trade, but other useful business is lost to Chester.

Conscious of this gap, Clwyd Council itself is actively pursuing the possibility of building a hotel and conference centre alongside the Theatr Clwyd complex to generate a new source of year-round business. But the plan is in its early stages and again requires private sector backing. Yet with one or two exceptions, such as the Grange Cavern Military Museum at Holywell and the Ruthin Castle Medieval Banquet evenings, most new tourism initiatives have tended to come from the public sector.

Accountancy Appointments

COMPANY NOTICES

General Mining Union Corporation Group

DIVIDEND DECLARATIONS

Notice is hereby given of dividends which have been declared by the undermentioned companies:

	Last day to register	*Register of members closed*
Preference shareholders (Trans-Natal)	24 December 1982	25 December to 31 December 1982
Ordinary shareholders	17 December 1982	18 December to 31 December 1982

The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on the undermentioned currency *conversion dates or the first day thereafter on which a rate of exchange is obtainable.*

Dividend warrants will be posted on the dates mentioned below and in the case of non-resident shareholders, tax of 15 per cent will be deducted.

The full conditions of payment may be inspected at or obtained from the London office of the companies or the offices of the transfer secretaries.

All companies mentioned are incorporated in the Republic of South Africa.

Dividends on shares included in share warrants to bearer of West Rand Consolidated Mines Limited, will be paid in terms of a notice to be published as soon as possible after the currency conversion date.

Name of Company	Class of Share	Dividend No.	Amount per Share Cents	Currency Conversion Date	Posting Date	Description	Total Dividend for year Cents
Gold and Uranium							
Buffelsfontein Gold Mining Company Limited	Ordinary	51	260	24.1.83	3.2.83	Interim	—
Marievale Consolidated Mines Limited	Ordinary	85	25	24.1.83	3.2.83	Final	41
St. Helena Gold Mines Limited	Ordinary	55	280	24.1.83	3.2.83	Final	425
Stilfontein Gold Mining Company Limited	Ordinary	57	150	24.1.83	3.2.83	Final	250
The Grootvlei Proprietary Mines Limited	Stock	88	80	24.1.83	3.2.83	Final	116
West Rand Consolidated Mines Limited	Ordinary	102	20	24.1.83	3.2.83	Final	20
Asbestos							
The Griqualand Exploration & Finance Company Limited	Ordinary	62	10	7.2.83	17.2.83	Final	17.5
Coal							
Trans-Natal Coal Corporation Limited	Ordinary	40	30	7.2.83	17.2.83	Interim	—
	Preference	4	37.5	7.2.83	17.2.83	Interim	—
The Clydesdale (Tvl) Collieries Limited	Ordinary	139	32.5	7.2.83	17.2.83	Interim	—

NOTES

1. Chemwes Limited — The company in which Stilfontein and Buffelsfontein hold 85% and 15% respectively, has declared a dividend for the year totalling R12 million.
2. Trans-Natal Coal Corporation Limited — It is the intention, due to the revised accounting policy as indicated in the annual report, to declare dividends which are more in line with earnings for the period, taking cognisance of capital funding needs.

By order of the Boards
per pro GENCOR (UK) LIMITED
London Secretaries
L. J. Baines

London Office:
30 Ely Place, London EC1N 6UA

London Transfer Secretaries:
Hill Samuel Registrars Limited
6 Greencoat Place, London SW1P 1PL

1 December 1982

ANNOUNCEMENT

ANNOUNCEMENT

The FIELDING Group of Companies are pleased to announce the formation of a new London based Company, FIELDING & PARTNERS (MARINE) LIMITED.
The Board of Directors consists of Mr. R. W. Fielding (Chairman), Mr. C. J. T. Stewart and Mr J. Stanway.

APPOINTMENTS

Senior post at Distillers

Mr T. Tiplady, a director of the Distillers Company, has been appointed chairman of the DCL FOOD GROUP following the retirement of the previous chairman, Mr C. R. S. Robertson. Mr Tiplady will continue as managing director of the Food Group.

★

County Bank has formed a subsidiary company, COUNTY BANK INVESTMENT MANAGEMENT which will manage the services and activities provided by the investment division of the bank. The board of the new company is: Mr J. M. F. Padovan (chairman); Mr C. N. Villiers (deputy chairman); Mr J. M. Corlett (deputy chairman); Mr J. B. Sherriff (joint managing director); Mr D. J. Gamble (joint managing director); Mr E. A. Barnes; Mr D. P. Boardman; Mr G. F. Casey; Mr J. E. Goodey; Mr R. H. Peters and Mr G. J. Prosser (secretary). Mr Padovan, Mr Villiers, Mr Corlett and Mr Casey will be non-executive.

★

Mr Ian Parsons has been appointed international partner of DELOITTE HASKINS & SELLS. He succeeds Mr Murray Charlton who is returning to the firm's London practice. Mr Parsons was previously partner-in-charge of the firm's Nottingham office. DELOITTE HASKINS & SELLS MANAGEMENT CONSULTANTS has appointed Mr Keith Baldwin and Ms Rosemary Radcliffe as partners.

★

Mr Gordon McLelland will be appointed to the board of MARDON COMPOSITES as deputy managing director from December 1. Mr McLelland was formerly managing director of Thyne Plastics. Mr Brian F. Cowgill will be appointed commercial director of Iridon from December 1, and Mr Frederick E. Prest will be appointed works director.

Both companies are members of the Mardon Packaging group.

★

Mr Martin Lambert, marketing director of Linked Ring Television Film Productions has been elected chairman of the BRITISH DIRECT MARKETING ASSOCIATION'S telephone marketing committee.

★

Mr Tim Finlow has been appointed senior regional manager of NATIONAL WESTMINSTER BANK, international banking division, Africa and Middle East regional office, based in London. Previously he was senior manager, transnational banking, based in Paris at Nat-West's wholly-owned subsidiary, International Westminster Bank.

★

Mr Alex Hammond-Chambers and Mr Garth Ramsay have been elected joint deputy chairman of IVORY & SIME, Edinburgh based investment management company. Mr David Ross, secretary, and Mr Giles Weaver have been appointed to the board. Mr Robert van Maasdijk has decided for family reasons to return to the Continent and has therefore resigned from Ivory & Sime. He remains a director of Ivory & Sime (Holdings) and chairman of Ivory & Sime (Zurich). Dr Walter Scott and Mr John Clark have left the company.

★

MATHER & PLATT, UK subsidiary of the Australian Wormald International Group has made top management changes. Mr Brian Fuller is appointed a director and general manager of the fire engineering division having joined the company from Prestcold Holdings. Mr Ron J. Tonks becomes a director and general manager of the electronics and security division joining the company from J. H. Fenner. Mr Anthony R. Wright, formerly with GEC Diesels, is made a director and general manager of the rotating machinery division. Mr Neil Marshall, general manager of the Mather & Platt international division, has been appointed a director.

★

Two new members, Mrs Daphne Randerson and Dr John Emberson, have been appointed to the INDEPENDENT BROADCASTING AUTHORITY'S general advisory council. Mrs Randerson is a former actress and former announcer and programme presenter for Grampian Television. Dr Emberson is head of the education department at Stranmillis College, Belfast.

★

Mr Brian Mottershaw has been appointed managing director of DEREK CROUCH (CONTRACTORS), opencast mining contractors and one of the Derek Crouch companies. He joins from Peakstone, which was the quarrying division of Staveley Industries, where he was chief executive. He takes over from Mr H. S. "Digger" Lister, who has retired. Mr Ted Graham, company secretary, has resigned.

★

Mr Trevor Sokell has been appointed managing director of NETWORK TECHNOLOGY and a main board director of Information Technology, the holding company which co-ordinates and manages the three subsidiary companies, Network Technology, Office Technology and Computer Technology. Mr Sokell joins NTL from Menzies Communications where he was managing director.

★

PROCTER & GAMBLE has appointed Mr R. J. Hilton to the board and to the company's management committee. He retains his present responsibilities as manager, food services and industrial cleaning products.

★

Mr Kingsley H. Marlow has become managing director of EX-CELL-O CORPORATION (ENGLAND) following the resignation of Mr M. Ruck. Mr Marlow was finance director.

RACING
BY DOMINIC WIGAN

DIESIS, who as a two-year-old finished fifth behind more precocious rivals in a maiden race at Newmarket in July, has rightly been placed at the head of the European Free Handicap.

Those who had hoped to see the abysmal failure of Gorytus in the William Hill Dewhurst Stakes overlooked by Europe's senior handicappers can have no complaints that the winner of that event by five lengths—and the first colt to complete the Middle Park-Dewhurst double in many years—has come out on top.

Diesis, an even more impressive winner of the Dewhurst Stakes than 3-1 on winner Nijinsky back in 1969, is 4-1 with the Dewhurst sponsors for the 2,000 Guineas and a top quoted 9-2 with Ladbrokes.

Ladbrokes, however, makes Gorytus its 7-2 favourite for the 2,000 Guineas, and brackets Danzatore with Diesis at 9-2. Britain's biggest bookmaker, whose quote against Gorytus is in *stark* contrast to the 12-1 offered and laid by the Tote about the same horse in the same race yesterday, seems to be being extremely wary.

Mr John Thomson of Ladbrokes' ante-post department feels justified, however, in quoting 7-2 against Gorytus, who was beaten by 37 lengths in his last race.

Turning to today's racing, no one should lightly oppose the Nicky Henderson runners at Warwick. Chalk Pit is a reasonably confident choice to get Henderson off the mark in the Askett Novices' Hurdle, while stablemates Letterbox, The Tsarevich and Danish Knight are all expected to go well.

Another trainer whose runners seem sure to make their presence felt on the Midlands track is David Nicholson. His six-length Towcester conqueror of Lucky Vane, Mr Gumboots, may have only Rambling Buck to fear in the Shipston Chase.

WARWICK
1.00—Chalk Pit**
2.00—Mr Gumboots***
2.30—Lloyd Ardua
3.00—Crimson Embers
3.30—Danish Knight

TAUNTON
2.15—Ribolane
2.45—Coolafancy
3.15—Black Penny*

BASE LENDING RATES

A.B.N. Bank	10 %
Allied Irish Bank	10 %
Amro Bank	10 %
Henry Ansbacher	10 %
Arbuthnot Latham	10 %
Associates Cap. Corp.	10 %
Banco de Bilbao	10 %
Bank Hapoalim BM	10 %
BCCI	10½%
Bank of Ireland	10 %
Bank Leumi (UK) plc	10 %
Bank of Cyprus	10 %
Bank Street Sec. Ltd.	10½%
Banque Belge Ltd.	10 %
Banque du Rhone	10½%
Barclays Bank	10 %
Beneficial Trust Ltd.	10 %
Bremar Holdings Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10½%
Canada Perm't Trust	10½%
Castle Court Trust Ltd.	10½%
Cavendish Gty Tst Ltd.	10½%
Cayzer Ltd.	10 %
Cedar Holdings	8 %
■ Charterhouse Japhet	10 %
Choulartons	10½%
Citibank Savings	*9 %
Clydesdale Bank	10 %
C. E. Coates	11 %
Comm. Bk. of N. East	10 %
Consolidated Credits	10 %
Co-operative Bank	*10 %
Corinthian Secs.	10 %
The Cyprus Popular Bk.	10 %
Duncan Lawrie	10 %
E. T. Trust	10 %
Exeter Trust Ltd.	11½%
First Nat. Fin. Corp.	12½%
First Nat. Secs. Ltd.	11½%
Robert Fraser	11 %
Grindlays Bank	‡10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
Hargrave Secs Ltd.	10½%
Heritable & Gen. Trust	10 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Hongkong & Shanghai	10 %
Kingsnorth Trust Ltd.	11 %
Knowsley & Co. Ltd.	10½%
Lloyds Bank	10 %
Mallinhall Limited	10 %
Edward Manson & Co.	11 %
Midland Bank	10½%
■ Samuel Montagu	10 %
■ Morgan Grenfell	10 %
National Westminster	10 %
Norwich Gen. Tst	10 %
P. S. Refson & Co.	10½%
Roxburghe Guarantee	10½%
Royal Trust Co. Canada	10 %
Slavenburg's Bank	10 %
Standard Chartered	10 %
Trade Dev. Bank	10 %
Trustee Savings Bank	10 %
TCB	10 %
United Bank of Kuwait	10 %
Volkskas Intl Ltd.	10 %
Westpac Banking Corp.	10 %
Whiteaway Laidlaw	9½%
Williams & Glyn's	10 %
Wintrust Secs. Ltd.	10½%
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.

* 7-day deposits 6.5%, 1-month 6.75%. Short-term £8,000 12-months 7.5%-9.1%.

† 7-day deposits on sums of under £10,000 6¾%, £10,000 up to £50,000 7½%, £50,000 and over 8%.

‡ Call deposits £1,000 and over 6½%.

‡ 21-day deposits over £1,000 7½%.

§ Demand deposits 6½%.

¶ Mortgage base rate.

WORLD STOCK MARKETS

Dow closes 8.19 lower

A LATE sell-off in the blue-chip issues caused stock prices to close mixed after a roller-coaster day.

The Dow Jones Industrial Average climbed as much as 11½ points by early afternoon, but nervous investors started taking profits in the last half-hour and the average ended off 8.19 points at 1031.09.

Advances continued to lead declines, however, by a ratio of three to two. Volume swelled to some 109m shares, the highest in three weeks.

AT MIDSESSION the average was up 10.39 points at 1049.67. The New York Stock Exchange all-common index was ahead 89 cents at $80.84.

* * *

Chemical, Food, Drug and Consumer Products were among those sought yesterday morning as buying became widespread.

Bristol-Myers rose 5⅜ to $74, **Nutri Systems** 4⅜ to $39⅜, **Aydin** 3⅜ to $40⅜, **Pfizer** 2⅜ to $76⅜, **Coca-Cola** 1⅜ to $51⅜, **Singer** 1⅜ to $18⅜ and **Coachmen Industries** 2⅜ to $28⅜.

IBM put on 1⅜ to $87⅜ in heavy trading. The company announced a switch in its method of accounting for foreign currency which would increase per share earnings for the year by 10 per cent.

Other Technology stocks also continued the strong performance they have exhibited all week. **Digital Equipment** rose 3⅜ to $107⅜, **Honeywell** 1⅜ to $102⅜, **Datapoint** 1⅜ to $21⅜, **Control Data** 1⅜ to $40⅜ and **NCR** 2⅜ to $90⅜.

* * *

THE AMERICAN SE Market Value Index improved 2.60 more to 338.77 at 1 pm. Volume 8.46m shares (5.11m).

Canada

Markets mainly continued to strengthen in fairly active trading yesterday morning, with strength evident in the Metal, Paper and Transportation stocks.

The Toronto Composite Index, up 22.8 on Tuesday, was ahead 10.1 more at 1,848.4 at midsession volume of 4.36m shares.

Metals and Minerals added 24.7 at 1,610.4 and Golds 7.4 at 3,220.3, but Oil and Gas eased 4.5 to 2,796.0.

Northern Telecom rose 1⅜ to C$82, **Grandma Lee's** 1.05 to C$6, **Alcan** ⅜ to C$30⅜ and **Seagram** ⅜ to C$85.

Tokyo

Expectations of a Japanese interest rate cut in the near future and the sharp advance on Wall Street overnight propelled the Tokyo market strongly ahead in active dealings yesterday. The yen's firmness against the U.S. dollar also contributed to the stock market buoyancy.

The Nikkei-Dow Jones Average rose 73.15 to a 1,982 peak of 7,966.77, while the Tokyo SE index appreciated 2.99 to 581.35. Volume reached 480m shares (350m).

Hopes of lower Japanese interest rates were partly based on a Nihon Keizai newspaper report that said Japan, the U.S., Britain, West Germany and France will meet to discuss concerted interest rate cuts.

Trading Houses, Consumer Credit concerns, Construction Companies, House Builders, and other issues which benefit from lower interest rates were actively bought.

Mitsui forged ahead Y43 to Y372, **Mitsubishi** Y32 to Y565, **Orient Sumitomo** Y62 to Y500, **Orient Leasing** Y100 to Y2,170, **Hitachi Credit** Y60 to Y1,370, **Shimizu Construction** Y10 to Y241, **Tokio Marine** Y13 to Y516, and **Heiwa Real Estate** Y13 to Y609.

Oils, Non-ferrous Metals, Securities Houses, Chemicals, Paper Pulps, and Textiles were also higher.

But international populars were mixed because of continuing caution about the high share prices, after the sharp rises of recent weeks, and the high level of margin buying positions.

The market is entering a sensitive period, with the Nikkei-Dow Average close to the all-time high of 8,019.14, registered on August 17 1981, and few opportunities left for bargain hunting, a Yamaichi Securities analyst said.

Germany

Most leading shares advanced on domestic buying, founded on the sharply higher Wall Street close on Tuesday and hopes that the rallying D-mark will enable the Bundesbank to cut interest rates today. Trading was at times lively, and the Commerzbank index climbed 7.4 to 722.4.

Dresdner Bank, ahead of interim results, recovered DM 5.90 to DM 135.50, while **Deutsche Bank** picked up DM 3.40 to DM 262.50 and **Commerzbank** DM 4.10 to DM 129.

Among Motors, **Daimler** strengthened DM 6 to DM 355.50 and **BMW** DM 5.20 to DM 219.50.

Chemicals issue **Schering**, expecting satisfactory full year earnings despite a lower third quarter, recouped DM 4.10 at DM 311.50 after falling DM 5.10 the previous day.

KHD featured in Engineerings with a gain of DM 5 at DM 194, while **Deutsche Babcock**, despite omitting the dividend, rose DM 1 to DM 132.50.

Domestic Bonds were as much as 50 pfennigs higher in active trading. The Bundesbank was able to sell DM 34.3m of public paper into the market, after having purchased DM 6.1m the previous day.

Australia

Resource shares opened higher following the buoyant Wall Street performance overnight, but apart from Gold issues, still bolstered by the rising Bullion price, gains were partially eroded later. Oils were mixed, where changed, on balance, while the Industrials group remained weak, reflecting the poor domestic outlook.

Turnover was again low and most brokers do not expect solid institutional support for the market until at least the New Year.

A broker pointed out that local and foreign investors simply are not willing to commit funds to the market with forecasts for the Australian economy remaining so dismal.

The Australian All Ordinaries Index was only 1.6 harder on the day at 485.9, while the Metals and Minerals Index was modestly ahead 4.0 at 403.3 and Oil and Gas just 2.2 firmer at 450.8.

Among Golds, **GMK** climbed another 40 cents to A$7.90, while **Central Norseman** put on 30 cents to A$7.50 and **Poseidon** 25 cents to A$4.80.

Elsewhere in Minings, **MIM** gained 6 cents at A$3.52, **Western Mining** 3 cents at A$3.13 and **Bougainville** 5 cents at A$1.70, but **CRA** lost 2 cents at A$3.76.

Overall market leader **BHP** recovered 4 cents to A$6.46 from Tuesday's two-year low, but analysts said the stock remains vulnerable.

Hong Kong

Shares staged an initial rally in response to the overnight Wall Street upsurge, but gains were subsequently trimmed with some fresh late selling noted.

The Hang Seng Index, which fell a further 28 points on Tuesday to its lowest point for the past two and a half years, was only 6.31 firmer on the day at 710.34. Turnover in the short Wednesday session amounted to only HK$101.16m on the four exchanges, against HK$767.41m in the full day's trade on Tuesday.

Brokers said the market continues to be affected by nervousness over the financial state of some local companies. However, an announcement that all but one of Eda Investments' creditors have agreed to a provisional repayment scheme for the company's debts was a positive factor in the market.

Johannesburg

Gold shares rose afresh with the Bullion price, but many ended below the day's best on profit-taking. **Randfontein** was up a net R4 more at R134, after R135, while **Vaal Reefs** gained R2.50 at R54.50, **Buffels** R4 at R65 and **ERGO** 10 cents at R7.90.

Indices

MONTREAL	Dec 1	Nov 30	Nov 29	Nov 26	1982 High	1982 Low
Industrials	317.72	313.81	311.56	314.21	334.88(4/11)	245.68(21/6)
Combined	309.04	306.03	303.7	305.33	320.8(4/11)	237.27(21/6)
TORONTO Composite	1850.0	1836.1	1915.5	1917.4	1956.3(4/11)	1365.7(21/6)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

New York Active Stocks

Wednesday	Stocks Traded	3.00 p.m. Price	Change on Day
IBM	1,358,400	87¼	-¾
ATT	1,241,700	59⅛	-⅛
Hous Ind	1,224,000	18⅝	-⅛
Exxon	1,089,700	28⅛	-⅛
Gen Motors	903,100	59¼	¾
Mattel	692,300	29⅝	-1
Ams Corp	692,100	21⅛	-⅛
Mer Lynch	684,900	88¼	-¾
N Med Ent	681,700	28⅝	-1⅝
Sony	645,500	18⅝	-⅛

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Financial Rand US$0.75¼ (Discount of 17%)

Companies and Markets

LONDON STOCK EXCHANGE

Sterling influences and Wall Street's sharp advance trigger demand for Gilt-edged and equities

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov 15	Nov 25	Nov 26	Dec 6
Nov 29	Dec 9	Dec 10	Dec 20
Dec 13	Dec 29	Dec 30	Jan 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

All three main investment sectors of London stock markets displayed strength yesterday, all attracting support for one reason or another. A combination of rising sterling and lower UK money market rates encouraged revived demand for Government securities. Equities took their cue from Wall Street's overnight upsurge; both centres being apparently hopeful that the recent trend towards dearer money will be short-lived. Gold shares were very impressive again initially, but later reacted from the best with the bullion price.

Gilt-edged stocks were marked up at the outset and quickly extended their gains to a full point and occasionally more. Early business was brisk but interest faltered after the first hour of dealings and subsequent business was thin. Nevertheless, medium and longer-dated Gilts stayed close to the session's highest, while the more volatile of the shorter issues slipped back ⅛ from the top. Treasury 12½ per cent Convertible 1986 settled 1½ up at 107⅞, after 108, while the longer-dated Treasury 13½ per cent 2004-08 was similarly dearer at 119⅛.

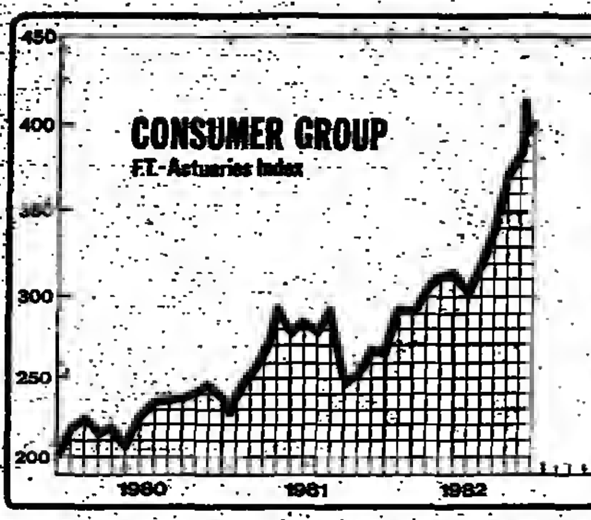
Interest in the equity sectors was again selective with current speculative favourites still making the running. After a mid-morning bout of indecision, the tone became especially firm and the advance quickened as potential sellers began to demand higher bids for stock. Several 'blue chip' industrials finally achieved gains extending to double-figures and the FT 30-share index again crossed 600 to close 9.4 up at 605.9 despite a fall of 11 to 106p in constituent P and O on a broker's downgraded profits forecast.

Phoenix disappoints

Phoenix moved against the firm trend in Composite Insurances, falling 6 to 256p following the disappointing third-quarter profits. Meanwhile, Royals rose 12 to 442p on U.S. acquisition details, while improvements of around 8 were seen in Eagle Star, 330p, General Accident, 344p, and GRE, 354p. Life issues made progress after an improved business; Hambro put on 10 to 322p.

Lloyds featured the banking sector, rising 22 to 404p in response to reassuring remarks about the international banking scene made by the chairman of subsidiary Lloyds Bank International. Elsewhere, renewed speculative buying lifted First National Finance Corporation a couple of pence to 45½p.

International Signal and Control returned to favour on the view that the shares had been overlooked and finished 20 up at the best yet of 266p. Elsewhere among Recent Equities, Micro Business Systems, dealt in the Unlisted Securities market, advanced 10 to 205p.



Apart from Grand Metropolitan, which attracted steady support and rose 8 to 302p, leading Breweries generally held close to the overnight positions.

Selective support was again evident in the Building sector, but Costain Group remained overshadowed by the Canadian losses and fell 10 more to 184p. Redland, reflecting a broker's investment recommendation, advanced 7 more to 237p. Barratt Developments closed 10 dearer at 444p while continued support left RMC up 9 further at 339p.

ICI opened higher at around 358p, but drifted back to 354p before buyers took the price to a close of 358p, up 8 on the day.

Fine Art dip and rally

Leading Stores responded with enthusiasm to renewed hopes of increased consumer expenditure over Christmas and the New Year. W. H. Smith, 284p, and Habitat Mothercare, 238p, were outstanding with rises of 12 and 16 respectively, while Gussies "A" closed 10 to the good at 608p. Marks and Spencer, 227p, and Woolworths, 167p, both gained 4, while continued take-over speculation lifted UDS a couple of pence further to 78p.

Polly Peck again encountered an active business before closing 1¼ higher at £23¾; Wearwell slipped to 91p, only to recover to record a net fall of a penny at 93p. Bid rumours prompted revived support of J. Hepworth, 4 up at 130p, while recent speculative favourite Steinberg attracted further support and rose 3 to 76p; the latter's interim results are scheduled for next Tuesday. Fine Art Developments dipped to 30p following the first half deficit, but the shares, a dull market of late, were cheered by the maintained interim dividend and rallied to finish only a penny lower on balance at 34p.

Selected Shoes displayed useful rises; Futura were again wanted and advanced 10 for a two-day gain of 28 to 145p. Lambert Howarth firmed 5, also to 145p, while Footwear Industry closed 9 up at 106p.

Electricals were fairly active and closed with good gains throughout the list. Awaiting today's interim figures, GEC advanced 10 to 223p. Racal put on 18 to 583p and Plessey 8 to 618p. Cable and Wireless rebounded 9 to 315p and Thorn EMI rose 5 to 438p. Buying on consideration of the company's profit potential led to a further jump of 21, to 183p, in Electro-Protective and AB Electronic continued to reflect a broker's recommendation with a fresh rise of 25 at 520p, after 530p. Automated Security gained 13 to 300p, while similar improvements were recorded in MK, 305p, Memec, 315p, Muirhead, 186p, and Security Tag Systems, 288p. Ward and Goldstone revived with a gain of 57p.

Leading Engineers opened higher but failed to hold best levels. Hawker settled with a rise of 6 at 356p, after 360p, and GKN ended 4 to the good at 119p, after 120p. Elsewhere in the sector, NEI, benefiting from news of the £28m Korean order, hardened 2 to 93p. Occasional demand lifted IMI 2½ to 42½p. Peter Brotherhood firmed 3 to 38p and B. Elliott a couple of pence to 26p.

Foods continued to make useful, if selective, progress. Tesco provided an early feature, advancing 11 to 135p following the £54½m issue of Convertible Loan stock. Other Retailers drew strength in sympathy and Kwik Save rose 9 to a record two-day gain of 22 to 325p. William Morrison, 160p, and Linfood, 236p, improved 8 and 6 respectively. Speculators settled on British Vending which jumped 9 to 28p, after 29p, despite the board's statement professing no knowledge of any reason for the sharp increase. Manufacturers also made headway with Cadbury Schweppes 5 to the good at 132p, and Unigate, interim results due in the next Account, 3 dearer at 107p.

Among Hotels, dealings in Mount Charlotte were suspended at 28½p pending acquisition details.

Secondary miscellaneous industrials again paraded several outstanding features. Still reflecting a broker's recommendation, Combined Technology attracted renewed speculative support and touched 66p before closing a net 10 up at 64p. London and Liverpool Trust closed 21 better and 109 dearer on the week so far at 376p, after 390p. Continuing hopes of a bid from the U.S. helped Sothebys to rise 15 more to 435p, while favourable Press comment prompted gains of 1½ and 6 respectively in Grovebell, 7p, and London and Midland Industrials, 114p. The agreed merger terms left Kennedy Smale 10 dearer at 190p and Charles Hill of Bristol 5 up at 115p, while the boardroom appointment aroused interest in MY Dart, which closed 4 to the good at 20p.

Dry-cleaning shares remained in demand on hopes of new contracts. Sketchley advanced 16 to 378p, Initial Services 25 to 355p and Johnson Cleaners 6 to 288p. Spring Grove ended 4 better at 77p, after 79p, following the results. Elsewhere, Hanson Trust, with preliminary results scheduled for next Wednesday, rose 8 to 238p, while Change Wares rallied 2½ to 8p. By way of contrast, Rotaprint met profit-taking and, at 13p, lost 3 of the previous day's speculative rise of 7½. Among the firm leaders, Beecham appreciated 10 to 365p and Boots 7 to 254p. Bowater, recently dull on fears of a newsprint price war, rallied 8 to 168p.

Leisures were irregular. Horizon returned to favour with a gain of 9 to 202p, while Riley, boosted by recent acquisition news, rose a similar amount to 133p. Samuelson Film Service, on the other hand, met profit-taking and shed 35 in a narrow market to 400p.

In Properties, MEPC hardened a few pence to 179p following the preliminary results. Parkdale gained 3 to 51½p and Crest International 2½ to 10½p.

Burmah feature

Oil shares opened higher in the wake of Wall Street's sharp overnight improvement and final quotations were around the day's best. Burmah featured with a rise of 15 to 146p on the sale of the group's holding in Croda International for £15.85m; Croda eased 3 to 94p. Awaiting today's announcement of the third-quarter figures, BP improved 8 to 308p, Shell advanced 14 to 410p and Lasmo 13 to 305p, while Ultramar closed 15 to the good at 530p.

Trusts made headway, with overseas issues recording some useful gains. Crescent Japan, 374p, and GT Japan, 394p, rose 12 apiece. Among Financials, Exco International improved 12 more to 330p and Aitken Hume put on 7 to 277p.

Shippings were noteworthy for weakness in P. and O. Deferred, down 11 at 106p, after 104p, following a broker's profits downgrading. Ocean Transport eased 5 to 62p in sympathy.

Dawson International rose 7 to 123p, the lower first-half profits being outweighed by the increased interim dividend and confident statement. Elsewhere in Textiles, Mellins continued to attract a brisk trade and touched 82p before reverting to unchanged at 72p.

Tobaccos closed at the day's best. Imperial encountered late support and rose 4 to 118p.

Golds boil over

South African Golds registered further good gains but closed well below the day's highest levels.

Share prices were marked up sharply at the outset following heavy overnight American buying and continued to move ahead throughout the morning on sizeable local and Johannesburg buying in a market short of stock.

Afternoon trading, however, saw the emergence of widespread profit-taking and selling encouraged by the late downturn in the bullion price finally $2.5 easier on balance at $435.5 an ounce.

The Gold Mines index rose a further 3.5 to 469.2, extending the gain over the past six trading days to 68.8.

The mines in the Anglo American group were particularly sought with President Steyn finally ⅛ firmer at a year's high of £25¼. Vaal Reefs touched a 1982 high of £55½ before closing a point up on balance at £55¼, while Western Holdings ended with a net gain of ⅞ at £27½, after £27¾.

Ahead of the dividends, announced after market hours, Buffels rose ⅞ to £30, after £30⅞, and St. Helena a point to £26, after £26⅜.

South African Financials were well supported. Anglo American Corporation put on 15 to a 1982 high of 890p, UC Investments rose 20 to a high of 880p and De Beers edged up 6 to 336p.

An otherwise subdued Australians sector was highlighted by the renewed upsurge in Golds. Gold Mines of Kalgoorlie and Poseidon were again the subject of merger speculation with the latter 6 to the good at 278p and the former 15 stronger at 455p, after a year's high of 460p.

Good support of the underlying securities was reflected in Traded Options which displayed noteworthy gains across the board. Oil issues were particularly buoyant with BP January 300 calls 7 better at 24p, and Shell January 420 calls 12 up at 22p. Grand Metropolitan January 280 calls rose 6 to 28p, while ICI January 360 calls advanced 5 to 18p. In sharp contrast, P. and O. Deferred came on offer with a subsequent increase in put premiums; the February 120's jumped 7 to 14p, while the 130's finished 9 up at 23p. Total volume figures were not available in time for publication.

FINANCIAL TIMES STOCK INDICES

	Dec. 1	Nov. 30	Nov. 29	Nov. 26	Nov. 25	Nov. 24	A year ago
Government Secs.	79.82	78.20	79.53	79.01	79.05	81.48	64.50
Fixed Interest	82.57	81.95	81.97	81.89	82.27	84.34	64.61
Industrial Ord.	605.9	596.5	600.8	598.8	600.2	615.3	531.0
Gold Mines	469.2	465.7	458.0	427.7	421.8	404.9	312.0
Ord. Div. Yield	4.90	5.00	4.97	5.00	4.98	4.88	5.60
Earnings, Yld.% (full)	10.50	10.75	10.65	10.85	10.80	10.38	8.77
P/E Ratio (net) (*)	11.42	11.16	11.26	11.08	11.12	11.54	13.06
Total bargains	22,091	20,500	28,226	26,036	24,664	30,838	16,530
Equity turnover £m.	—	176.60	189.54	262.58	243.12	176.50	118.63
Equity bargains	—	18,601	22,457	21,532	20,599	16,587	11,786
Shares traded (mln)	—	126.3	154.8	170.9	149.9	119.6	88.9

10 am 604.8. 11 am 602.0. Noon 606.6. 1 pm 606.8. 2 pm 606.1. 3 pm 605.3.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974. * Correction. Latest Index 01-246 8026. Nil=10.80.

HIGHS AND LOWS / S.E. ACTIVITY

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.06 (8/11)	61.59 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (8/11)	61.78 (14/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (13/1)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	469.2 (1/12)	121.2 (22/6)	558.9 (22/9/80)	43.5 (26/10/71)

	Nov. 30	Nov. 29
Daily Gilt Edged Bargains	[illegible]	[illegible]
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]
5-day Average Gilt Edged Bargains	[illegible]	[illegible]
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section

	Wed Dec 1 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Nov 30 Index No.	Mon Nov 29 Index No.	Fri Nov 26 Index No.	Thur Nov 25 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (208)	[illegible]									
2 Building Materials (24)	[illegible]									
3 Contracting, Construction (29)	[illegible]									
4 Electricals (33)	[illegible]									
5 Engineering Contractors (10)	[illegible]									
6 Mechanical Engineering (67)	[illegible]									
8 Metals and Metal Forming (11)	[illegible]									
9 Motors (18)	[illegible]									
10 Other Industrial Materials (17)	[illegible]									
21 CONSUMER GROUP (202)	[illegible]									
22 Brewers and Distillers (22)	[illegible]									
25 Food Manufacturing (22)	[illegible]									
26 Food Retailing (14)	[illegible]									
27 Health and Household Products (8)	[illegible]									
29 Leisure (24)	[illegible]									
32 Newspapers, Publishing (13)	[illegible]									
33 Packaging and Paper (14)	[illegible]									
34 Stores (46)	[illegible]									
35 Textiles (23)	[illegible]									
36 Tobaccos (3)	[illegible]									
39 Other Consumer (14)	[illegible]									
41 OTHER GROUPS (75)	[illegible]									
42 Chemicals (15)	[illegible]									
44 Office Equipment (4)	[illegible]									
45 Shipping and Transport (13)	[illegible]									
46 Miscellaneous (44)	[illegible]									
49 INDUSTRIAL GROUP (485)	[illegible]									
51 Oils (14)	[illegible]									
59 500 SHARE INDEX	[illegible]									
61 FINANCIAL GROUP (119)	[illegible]									
62 Banks (6)	[illegible]									
63 Discount Houses (9)	[illegible]									
65 Insurance (Life) (9)	[illegible]									
66 Insurance (Composite) (10)	[illegible]									
67 Insurance Brokers (7)	[illegible]									
68 Merchant Banks (12)	[illegible]									
69 Property (51)	[illegible]									
70 Other Financial (15)	[illegible]									
71 Investment Trusts (109)	[illegible]									
81 Mining Finance (4)	[illegible]									
91 Overseas Traders (18)	[illegible]									
99 ALL-SHARE INDEX (750)	[illegible]									

FIXED INTEREST

PRICE INDICES	Wed Dec 1	Day's change %	Tues Nov 30	xd adj. today	xd adj. 1982 to date
British Government					
1 5 years	118.82	+0.40	117.54	[illegible]	[illegible]
2 5-15 years	128.75	+0.82	127.74	[illegible]	[illegible]
3 Over 15 years	134.75	+0.98	133.45	[illegible]	[illegible]
4 Irredeemables	139.29	+0.73	138.27	[illegible]	[illegible]
5 All stocks	127.39	+0.73	126.24	[illegible]	[illegible]
6 Debentures & Loans	101.95	+0.34	101.61	[illegible]	[illegible]
7 Preference	78.34	+0.11	78.36	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS: [illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (160)

BRITISH FUNDS (1)
AMERICANS (7)
BREWERS (2)
BUILDINGS (3)
CHEMICALS (3)
[illegible]

NEW LOWS (17)

[illegible]

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov 22	Dec 3	Mar 3	Mar 14
Dec 6	Dec 17	Mar 17	Mar 28
Dec 20	Dec 31	Apr 7	Apr 18

For rate indications see end of Share Information Service

Call options were arranged in Wearwell, Belhaven, UKO International, MFI, B. Paradise, Bixley, Town and City Properties, TI, London and Liverpool, Turner and Newall, Muirhead, Tozer Kemsley and Millbourn, Scottish and Newcastle, Trident TV "A", Davy, Bio-Isolates, Chubb, John Brown, International Signal and Control, Technologies, Sangers, BOC, Beecham and Dunlop. A put was done in Rotaprint, while a double was taken out in C. H. Bailey.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	96	1	—
Corpns. Dom and Foreign Bonds	—	—	42
Industrials	476	122	722
Financial and Props.	196	37	285
Oils	32	14	56
Plantations	3	3	17
Mines	57	26	66
Others	104	22	46
Totals	1,000	224	1,259

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡‡	F.P.	—	14½	13½	Amal.TinMines Nig.1p	15⅛	....	—	—	—	—
‡75	F.P.	10/1	148	118	✠Bespak 10p	127	+4	b2.5	5.5	8.8	11.7
90	F.P.	22/10	117	87	✠Brevilln Europe 10p	105	+4	u4.9	6.2	6.7	2.9
‡100	F.P.	22/4	100	100	Br.Kid. Pat.As.Inv.Tst	100	....	—	—	—	—
*215	100p	—	84	70	Britoil 10p	75	+1	b9.2	1.8	7.4	10.6
80	F.P.	18/11	95	85	✠Ciro 10p	83	....	♦u3.92	1.0	6.0	12.1
‡10	F.P.	15/10	21½	15⅛	✠F.K.I. Elect. 10p	21½	+1	b0.2	4.8	1.8	22.5
25	F.P.	—	40	37	✠FirstTollemanInv20	36	....	b0.6	2.0	6.4	30.6
‡150	F.P.	26/11	350	215	✠Fitch&Co. 10p	250	+2	b4.2	1.9	2.6	28.8
55	F.P.	7/1	133	101	✠GarfunkelsRest.10p	112	+1	b1.86	3.2	2.4	14.6
‡75	F.P.	12/11	104	86	✠Huntercrest	104	+1	u5.15	3.5	4.5	7.2
‡62	F.P.	7/1	76	66	✠Indust'l Fin & InvCp	68	....	u2.0	8.5	4.2	11.0
155	F.P.	3/12	284	126	Intl. Sig. & Cont. $0.10	266	+20	b:4.64c	1.7	1.0	26.5
‡20	F.P.	12/11	58	51	✠Kean&Scot Hig10p	56	....	H1.0	—	4.0	—
‡120	F.P.	30/12	235	105	✠Micro Bus. Sys. 10p	205	+10	b2.25	6.4	1.6	20.4
‡‡	F.P.	—	175	150	✠NMW Computers	157	+6	g5.0	6.6	6.7	10.6
52	F.P.	1/12	120	80	✠PineappleDanceSt'e10p	120	....	td1.8	—	1.8	28.6
—	F.P.	—	53	20	Rvr Plate & Gen. Wrrts	32	+7	—	—	—	—
525	F.P.	—	635	525	S.T.C. (New)	607	+4	b18.0	1.2	4.2	16.6
‡62½	F.P.	—	140	102	Slaters Food Prds 10p	110	+5	b9.0	5.6	2.6	11.6
‡‡210	F.P.	17/12	305	275	SystemsDesign'rs 10p	285	+10	b2.2	5.5	1.1	36.5
£355	F.P.	3/12	£375	£350	✠Technofan SA Fr100	£370	....	uFr150	6.0	4.9	14.3
‡60	F.P.	—	87	58	††Voyager Pet. (UK)	60	+2	—	—	—	—
‡80	F.P.	12/11	84	76	✠Wingate Prop. Inv.	76	....	b1.5	1.6	6.8	32.1
£0 84	F.P.	12/11	62	58	✠Woodchester Invs.	70	−1	bQ3.16	4.1	4.5	5.8

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or −
‖ ‖	Nil	10/12	½pm	½pm	Allwood 6% Cum. Conv.Red.Pref.1997	½pm	— ¼
27.504	£25	4/5	22¼	20⅛	BOC 12¼% Uns. Ln. 2012-17	21⅛	+ ⅞
99.053	£26	17/6	26¾	12½	Barclays Bank 12 pc Uns.Cap.Ln.2010	21¾	+ 1¼
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or −
348	Nil	10/1	[illegible]	[illegible]	A. B. Electronic	[illegible]	[illegible]
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Tues. close	Day's change	Stock	No. of changes	Tues. close	Day's change
Polly Peck	43	£22¾	+ 1¼	Plessey	15	610	+ 10
Camb. Tech.	31	54	+14	Hempey	14	£10½	+ 0¼
Lon. & Liv. Tst.	27	355	+25	Lambert How'th	14	140	+ 15
Bio-Isolates	22	243	−10	Mellins	14	72	+ 2
Allied-Lyons	21	132½	+ 7½	Rotaprint	14	16	+ 7½
Febal	21	113	+18	Racal Elec.	13	565	−11
Micro-Bus. Sys.	15	195	−10	GEC	12	213	− 7

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Burmah Oil	146	+15	Poseidon	278	+ 6
Combined Technology	64	+10	President Steyn	£25⅛	+ ⅛
Dawson International	123	+ 7	Rotaprint	13	− 3
Gold Mines Kalgoorlie	455	+15	Sothebys	435	+15
London and Lvrpl. Tst.	376	+21	Western Areas	273	+13
Polly Peck	£23¾	+ 1¼	Western Deep	£30	+ 0¼

COMPANY NOTICES

ITO-YOKADO CO., LTD.
(CDRs)

The undersigned announces that as from [illegible] December 1982 at Kas-Associatie N.V., Spuistraat 172, Amsterdam and at Banque Générale du Luxembourg S.A. in Luxembourg div.cp.no. 20 (accompanied by an "Affidavit") of the CDRs Ito-Yokado Co., Ltd. will be payable with

US$ 1.56 per CDR, repr. 5 Dep.Shs. of 10 shs each,
US$15.60 per CDR, repr. 50 Dep.Shs. of 10 shs each,
US$31.20 per CDR, repr. 100 Dep.Shs. of 10 shs each.
(div. per record-date 31.8.1983: gross Yen 9.8 p.sh.)
after deduction of 15% Japanese tax =
Yen 71.25 = $0.27 per CDR, repr. 5 Dep.Shs. of 10 shs each,
Yen 712.50 = $2.70 per CDR, repr. 50 Dep.Shs. of 10 shs each,
Yen 1,425.00 = $5.60 per CDR, repr. 100 Dep.Shs. of 10 shs each.
Without an Affidavit 20% Japanese tax =
Yen 95.00 = $0.36 per CDR, repr. 5 Dep.Shs. of 10 shs each,
Yen 950.00 = $3.60 per CDR, repr. 50 Dep.Shs. of 10 shs each,
Yen 1,900.00 = $7.20 per CDR, repr. 100 Dep.Shs. of 10 shs each will be deducted.

After 31.3.1983 the dividend will only be paid after deduction of 20% Jap.tax with resp. $1.27, $10.70 and $29.40 per CDR repr. 5, 50, 100 Dep.Shs. of 10 shs each, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 23rd November 1983

NEWFOUNDLAND AND LABRADOR HYDRO
US$75,000,000 17¼% BONDS DUE 1989

Pursuant to the terms and conditions of the Bonds, notice is hereby given to Bondholders that during the twelve-month period ending November 17, 1982 no Bonds have been purchased for the account of Newfoundland and Labrador Hydro.
Amount outstanding: US$75,000,000.
Luxembourg, December 2, 1982.

The Fiscal Agent
Kredietbank
S.A. Luxembourgeoise

AMERICAN EXPRESS COMPANY
(CDRs)

The Board of Directors of American Express Company voted a four for three split to the shareholders of record January 7th, 1983. The new shares will be available after February [illegible]

AMSTERDAM DEPOSITARY COMPANY N.V.

S.F.E. INTERNATIONAL N.V.

U.S. $70,000,000 FLOATING RATE NOTES DUE 1989

[illegible]

SANCHEZ-O'BRIEN ENERGY 80 N.V.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sanchez-O'Brien Energy 80 N.V. (the "Company") has been called by the Management and will take place at the registered office of the Company, de Ruyterkade 62, Willemstad Curacao, Netherlands Antilles on December 26, 1982.

AGENDA

[illegible]

BANQUE NATIONALE DE PARIS (LUXEMBOURG) S.A.

[illegible]

BANK LEUMI LE-ISRAEL B.M.

NOTICE TO THE HOLDERS OF THE U.S.$16,000,000 7 PER CENT GUARANTEED CONVERTIBLE BONDS 1984 AND OF THE U.S.$20,000,000 7 PER CENT GUARANTEED CONVERTIBLE BONDS 1987 OF LEUMI INTERNATIONAL INVESTMENTS N.V.

[illegible]

2nd December, 1982

BUSINESS LAW

Heretics and law reporters

BY A. H. HERMANN, LEGAL CORRESPONDENT

IF law was always certain, lawyers would starve. They do not, but one should not carry things to extremes, and the uncertainties prevailing between the shipowner and the party hiring his ship for a certain time or for a certain voyage are really too much.

These contracts are called charterparties, and the use of this unfamiliar term, together with a predilection for obsolete language, is a suitable background for all sorts of bizarre constructions of their meaning. The real cause is rather in the fairly large amounts of money it is hoped to gain (or avoid losing), and the inventiveness of lawyers and judges. Why can't a great seafaring nation have a simply-worded code defining the mutual duties of the owner and of the charterer of the ship?

The continuing absence of such a code and the proliferation of reports of disputes between shipowners and charterers underlines the significance of the House of Lords judgment* handed down this summer and concerning The Evia, one of the many ships trapped in the Shatt-al-Arab waterway by the outbreak of hostilities between Iran and Iraq in September, 1980.

The dispute was, in essence, about whether the charterers should pay hire for the period during which the ship was trapped and could not be used. The owners asked for it, but the charterers maintained that the contract was frustrated by the unforeseen outbreak of hostilities. The owners replied that if it was frustrated it was the fault of the charterers who ordered the ship to Basrah, which turned out to be an unsafe port. In fact, they said, by sending the ship there, the charterers were in breach of clause 2 of the charterparty which provides for "the vessel to be employed . . . between . . . safe ports . . ."

*

The meaning of these eight words seems fairly clear and not only to seafaring men. The ship should not be sent to a port which is likely to be unsafe at the time the ship arrives there.

Mr Basil Eckersley, the umpire who was called in to settle the disagreement of the arbitrators to whom the dispute was submitted, had no doubt that this was the meaning of the safe port clause. He concluded that "Basrah was a safe port for the vessel both when she was ordered to proceed there and when she got there. It did not become unsafe until September 22, and by then it was impossible for the vessel to leave." Accordingly, he held that there was no breach of the charterparty by the charterers and that the charterparty was frustrated.

This commonsense understanding of the safe port clause has been shared by the courts, at least for the past 25 years. In 1958, Lord Justice Sellers said†: "A port will not be safe unless, in the relevant period of time, the particular ship can reach it, use it, and return from it without, in the absence of some abnormal occurrence, being exposed to danger which cannot be avoided by good navigation and seamanship." If neither common sense nor judicial wisdom were found totally convincing, it was enough to have a look at clause 21 of the charterparty which provided, among other things, that should the vessel be brought or ordered within a zone where it might be at risk from hostilities, the owners would be entitled to insure against such risks and to claim a refund of the premium from the charterer.

It is clear that it could not have been intended by the parties making the contract that the charterers should both pay the insurance premium and act as insurers (by being in breach of the contract) whenever the port became unsafe after the vessel had reached it.

The conclusions reached by the arbitrator seem to be so reasonable from every point of view as to make the case dull. What followed his award made it so interesting that one is tempted to declare that "dull is beautiful." Reviewing the award in the Commercial Court, the then Mr Justice Goff, held that the natural and ordinary meaning of the clause included a warranty that any port or place to which the vessel was ordered should be safe for the vessel throughout the time the vessel stayed there. This unexpected conclusion was based on an analysis of previous decisions undertaken by Mr Justice Mustill in "The Mary Lou" case‡.

However, as Lord Roskill has shown in a very closely argued judgment, the decisions on which Mustill and Goff based their conclusions did not support these conclusions. Indeed, one said that the safe port was to be safe at the time of nomination and expected to remain so, and the other two dealt with disputes concerning ports which were inherently unsafe at the time the ship was sent there.

> Why can't judges solve simple problems with simple, short and readable judgments?

*

The view taken in the Commercial Court was reversed in the Court of Appeal, though Lord Justice Ackner dissented in support of the view taken below. By then the case had become so interesting that Lord Diplock decided that the time had come when no punches should be pulled any more. He said: "The heresy that, in the last decade or so, has been embraced by judges in the Commercial Court in the course of several judgments at first instance, culminating in that of Mustill J. in the Mary Lou, would have the effect of eliminating the exception based upon abnormal occurrence in Lord Justice Sellers' statement of the effect of the safe port clause."

Lord Diplock thought that the heresy originated in the assembly of isolated statements contained in first instance judgments, and in using such statements to build up some novel principle of law. That misuse of judgments was, he said, particularly rife in commercial cases because there were reported in a specialised series of reports. As all the judgments to which Commercial Court judges have referred in this context have been reported elsewhere, I take it that Lord Diplock did not have the FT Commercial Law Reports in mind. But whatever he might have said about other reports could be applied to ours.

*

Commercial law reports may, as Lord Diplock said, facilitate elaborate legal engineering, but the necessity for them springs from the existence of such engineering in the first place. The unfortunate businessmen and arbitrators need the reports to keep abreast of lawyers' creativity and the resulting profusion of unpredictable logically derived rules. Why can't a seafaring nation have a simple code governing charterparties and, failing that, why can't the Commercial Court judges solve simple problems by simple, short, and readable judgments? They are all very experienced men, and their instincts would, no doubt, lean towards practical common sense.

*

It is not law reports, but excessively long arguments and sophistry of counsel, which sway them from the path of simple virtue. Perhaps it is time to recall Lord Mansfield's dictum: "Decide promptly, but never give your reasons. Your decisions may be right, but your reasons are sure to be wrong." Judges cannot follow this precept, but their reasons should be treated with respectful scepticism.

* Kodros Shipping Corporation v Empresa Cubana de Fletes, House of Lords, FT Commercial Law Reports, August 3 1982.
† The Eastern City (1958) 2 Lloyd's Rep. 127.
‡ Transoceanic Petroleum Carriers v Cook Industries "The Mary Lou," (1981) 2 Lloyd's Rep. 272.

Five main obstacles to the harmonisation of EEC insurance

Slow progress towards a common market

BY ERIC SHORT

PROGRESS on the harmonisation of insurance within the European Economic Community (EEC) had been very slow over the past few years, Mr Gerard Imbert, director of the financial institutions committee of the Community, said yesterday.

He was speaking on the first day of the Financial Times conference, held in London, on the subject of world insurance in 1983.

This lack of progress, he claimed, was disappointing, as it came after a period of considerable progress. Freedom of establishment was now a reality for non-life business and was on the way for life business. Freedom of both establishment and provision of services was also a reality for insurance brokers and agents.

Mr Imbert claimed, however, that there could only be a real common market in insurance when every insurer in the community was genuinely able to provide insurance services freely in member states in which the insurer was not established.

He pointed out that there were five main obstacles to the adoption of the directive on freedom of insurance services: authorisation, agency and branches, compulsory insurance, tax rules and the law applicable to contracts. The widely differing views and practices within member countries, representing habits acquired over many decades, seemed to make agreement very difficult.

Mr Imbert ended on a slightly more optimistic note. While the commission had put in a lot of effort over the past years with few tangible results, he said, the situation was progressing slowly but surely.

Mr Stanley Crossick, a partner in the private law firm Community Law Office Belmont, Brussels, discussed the state of EEC insurance law. His talk supplied very detailed notes on the various insurance directives and details on current progress.

He referred to the reluctance of member states to change their own systems and the lack of commitment by member states towards the ultimate goal of harmonisation. He suggested that use could be made of the Luxembourg Court to speed up the process of harmonisation. But he saw the main problem as the conflict between a system of state regulation or self-regulation of the insurance industries in member countries.

The rest of the morning's session was devoted to the effects of the EEC life directives on the regulation of life companies in the UK.

Mr Edward Johnston, the British Government Actuary, outlined the 1981 Insurance Companies Act and accompanying regulations which implement the directives. He pointed out that the directives did not create a common market in life assurance but laid down detailed principles of government supervision, including the creation of technical reserves and the bases for solvency margins.

Member states could vary the rules on supervision within the framework of the directive. The UK had retained the central role of the actuary in life insurance supervision, thus differing from the supervisory systems in other member states. But the legislation did introduce radical changes in methods of valuation, including the statutory solvency basis and minimum reserving standards.

On this point, Mr Johnston wanted actuaries to continue to feel fully responsible for setting life company reserves and to avoid what he termed the "tax law syndrome" in that companies adopted the minimum statutory reserving basis.

Mr Stewart Lyon, president of the Institute of Actuaries, outlined the effect of the new legislation on the professional duties and responsibilities of actuaries towards life companies. The institute, together with the Faculty of Actuaries in Scotland, were jointly producing guidance notes for actuaries, and had drawn up an exposure draft for discussion by actuaries.

He emphasised that the new system had not reduced actuaries to the role of a mere calculator but had resulted in professional responsibilities being even greater than before.

Mr Ronald Skerman, a past president of the institute and conference chairman on the first day, discussed the possible effects of the new legislation on insurance company practice. His talk was centred on the general level of reserves needed by life companies for solvency.

He pointed out that the more guarantees given on a life contract by a company, the higher was the required solvency margin. He concluded that companies would reduce their guarantees. He also pointed out that the minimum requirement of 800,000 European Currency Units (£470,000) for the guaranteed fund to be held by each life company could mean that new life companies might have to put up fresh capital. The solvency margins could also pose problems for life reinsurance companies in competition with overseas companies.

Financial Times world insurance conference

The afternoon session was devoted to specific subjects affecting the UK insurance industry. Mr David Malcolm, chief investment manager of Royal Insurance, discussed the investment problems facing insurance firms. He pointed out the twin objectives of producing the highest level return while not allowing the security of policyholders to be prejudiced. He argued that in times like the present, speculation of any kind was unjustified.

Applying these principles, Mr Malcolm said that the need was to preserve market values. This meant investing in short-dated fixed-interest securities and he explained the technique of riding the yield curve. But investment in the capital base of the insurance business required managers to protect assets against the adverse effects of inflation, which meant basically equity investment.

Professor David Wilkie, research actuary at Standard Life Assurance, discussed index-linking and its effects on life assurance and pensions. His talk covered both the impact of index-linked gilt stocks on the financing of government debt and on the ability of life companies and pension funds to offer index-linked pensions.

Mr Dryden Gilling-Smith, managing director of Employee Benefit Services EBS (Management), discussed the importance of tax incentives in the UK life assurance industry in both the design of contracts and in investment policy. He accused the companies of not taking sufficient advantage of the tax incentives available.

Finally Mr R. J. Clements, director and manager of Lloyds Bank Insurance Services, outlined the objectives of a clearing bank in the provision of both insurance advice and in the actual running of life companies. He predicted that the banks would continue to be active in the personal insurance markets.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		212.26		—
Managed Inv. Fd.	145.61	153.28		—
Property Fd.	143.52	151.08		—
Fixed Interest Fd.	140.84	148.26		—
Cash Fd.	129.42	136.24		—
Income Fd.	129.43	136.25		—
Extra Income Fd.	129.30	136.12		—
Worldwide Growth Fd.	164.40	173.06		—
Balanced Fd.	145.57	153.24		—
Smlr Co's & Recs. Fd.	139.45	146.79		—
Int. Technology Fd.	176.72	186.03		—
Nth. Amer. & Gen. Fd.	117.96	124.17		—
Energy Int. Fd.	83.26	87.63		—
Pacific Basin Fund	91.85	96.69		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Dec. 1		81.4	-0.1	—
Rtmt. Fed. Sept 7		176.08		—
Managed Pen Fund	159.6	168.0	-1.6	—
Property Pen Fund	110.6	116.4	-6.0	—
Index Lnkd Pen Fund	113.8	119.7		—
Managed	103.9	109.4	+1.4	—
Property	98.8	104.0		—
Gilt and Fixed Interest	96.7	101.8	+1.0	—
Index-Linked	98.4	103.6		—
Equity	104.3	109.8	+1.9	—
Cash	97.3	102.5	+1.3	—
Midland Bk. Unit Tst.	96.1	101.2	-2.2	—
Midland Bank Intnl.	108.3	114.1	+0.7	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£29.82	[illegible]	[illegible]	—
Property Units	£16.68	[illegible]	[illegible]	—
Equity Bond/Exec	£19.69	[illegible]	[illegible]	—
Prop. Bond/Exec.	£21.82	[illegible]	[illegible]	—
Bal. Bd./Exec/Unit	£20.85	[illegible]	[illegible]	—
2nd Equity	154.4	[illegible]	+1	—
2nd High Inc	108.8	[illegible]	+0	—
2nd Property	167.4	[illegible]	+0	—
2nd Managed	152.9	[illegible]	[illegible]	—
2nd Deposit	137.3	[illegible]	+	—
2nd Gilt	133.4	[illegible]	—	—
2nd American	159.6	[illegible]	+4	—
2nd Intl. Money	124.9	[illegible]	-1	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance

Property Bonds	298.4	310.8		—

GRE Linked Assurance Limited

Managed Initial	176.2	185.5	+2.5	—
Do. Accum.	191.8	201.9	+2.7	—
Equity Initial	220.7	232.4	+3.9	—
Do. Accum.	240.2	252.8	+4.2	—
Fixed Int. Initial	172.7	181.8	+1.5	—
Do. Accum.	188.0	197.9	+1.7	—
International Initial	161.9	170.4	-0.6	—
Do. Accum.	176.2	185.5	-0.6	—
Property Initial	119.6	125.9		—
Do. Accum.	130.2	137.0		—
Deposit Initial	118.9	125.1		—
Do. Accum.	129.4	136.2		—

GRE Pensions Management Ltd.

Pens. Managed Initial	173.0	182.1	+3.0	—
Pens. Managed Acc.	184.0	193.7	+3.2	—
Pens. Equity Initial	202.3	212.9	+3.2	—
Pens. Equity Acc.	215.2	226.5	+3.4	—
Pens. Fxd. Int. Initial	172.8	181.9	+1.6	—
Pens. Fixed Int. Acc.	183.8	193.5	+1.7	—
Pens. Int'l Initial	148.9	156.7	-1.2	—
Pens. Int'l Acc.	158.4	166.7	-0.3	—
Pens. Prop. Initial	118.9	125.2		—
Pens. Prop. Acc.	126.5	133.2		—
Pens. Depos. Initial	128.4	135.2	+0.1	—
Pens. Depos. Acc.	136.6	143.8	+0.1	—

Hambro Life Assurance P.L.C.
7 Old Park Lane, London, W1Y 3LJ. 01-499 0031

Fixed Int. Dep. · Equity · Property · Managed Cap. · Managed Acc. · Overseas · Gilt Edged · American Acc. · American Man. · American Prop. · American Eq. · Pen.F.I.Dep.Cap. · Pen.F.I.Dep.Acc. · Pen. Prop. Cap. [prices illegible]

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far Eastern Dec 1	HK$21.76	23.11	-0.08	—
Japan Fund Nov 26	$9.74	10.26		—

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey 0481-26521

Capital Reserve Fd †	15.68	15.70		0.22
C.I. Fund	283.1	301.5		2.52
Special Sits. Fund	98.0	103.2		2.71
Sterling Income Fund*	113.3	118.3	-1.0	12.68
Dollar Income Fund	$1.061	1.129	-0.004	12.17
Trans. Nat. Trust	$1.048	1.104	-0.009	2.40
Intnl. Bond	$111.04	116.88		9.01
Int. Equity	$16.50	17.37	+0.47	2.11
Int. Svgs. 'A' $US	$1.54	1.62		—
Int. Svgs. 'B'	$1.81	1.90	+0.05	—
Galleon Ass. Fund 'A'	$1.045	1.048	-0.006	—
Galleon Ass. Fund 'B'	$1.035	1.060	+0.031	—

† Excludes initial charge on small orders.

Henderson Admin. & Man. (Guernsey)
7 New St., St. Peter Port, Guernsey 0481 26541/2

American (US cents)	148.0	157.4		—
Nat. Res. (U.S. cents)	106.2	113.0		—
Gilt Fund	£10.33	10.96		11.41

Henderson Baring Group
801, Gloucester Tower, 11, Pedder St., Hong Kong.

Australia*	$7.25	7.82		—
Hong Kong		$10.50		—
Japan Tech.	$17.94	19.16	+0.34	—
Japan Fund	$26.79	28.63		—
Malay Sing.	$16.28	17.59	-0.27	—
Pacific Fd.	$10.442	10.964		—
Bond Fd.	$11.037	11.589		10.24

Weekly dealings.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.

Guernsey Tst.	239.7	256.4	+2.3	3.28

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 76029

UK Equities (C.I. Fd.)	162.6	174.1		3.50
UK Gilt (Jy. Fxd. Int.)	106.0	113.0		11.00

Providence Capitol International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.171	1.259		—
Intl. Stockmarket	$0.905	0.974		—
World Technology	$0.877	0.943		—
N Am Stockmarket	$1.043	1.122		—
Far East	$0.744	0.799		—
UK Fixed Interest	£1.117	1.201		—
Intl. Fixed Int.	$1.021	1.098		—
Intl. Currency	$0.922	0.991		—
Intl. Money Market	$0.993	1.068		—
U.K. Money Market	£0.983	1.057		—
Stlg. Mangd. Fd.	£1.011	1.007		—
Dollar Mangd. Fd.	$0.960	1.033		—

Prices on Nov. 24. Next dealing Dec. 1.
Prices on Nov 3. Next dealing Nov 10

Quest Fund Man. (Jersey) Ltd.
PO Box 194, St Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int.	£0.827	0.876	-0.18	10.70
Quest Intl. Secs.	$0.999	1.075	+0.030	1.12
Quest Intl. Bd.	$0.856	0.906	+0.004	12.14

Prices on December 1. Next dealing date December 8.

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

Resc Fd Int Nov 1	$576.35	530*		1.81

Next dealing date January 4.

RBC Investment Managers Limited
PO Box 246, St. Peter Port, Guernsey 0481-23021.

Intl. Income Fd.	$9.66	10.29	-0.09	—
Intl. Capital Fd.	$11.50	12.45		—
North America Fd.	$5.07	5.56		—

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, I.O.M. 0624 23914

Coin Trust	32.3	34.7		—
Diamond Bond	77.9	83.6		—
Gold Bond	259.2	277.6	+0.2	—
Managed Fund	134.6	144.4		—
Petroman Oil Trust	91.5	97.7		—
Do. $	1.473	1.565		—
Sapphire Trust	154.7	165.9		—
Silver Trust	238.3	252.0	+10.0	—
Sterling Deposit Bd.	156.34	164.62		8.21
UK Gilt Fund	147.2	156.4	+1.0	—

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey 0481-26741

O.C. America Fd.*	$2.76	2.93		0.68

OFFSHORE AND OVERSEAS

PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	99.0	104.0		3.00

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$10.81		+0.18	—

Inv. Adv. M & G Inv. Mngt. Ltd., London

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	31.5	32.8		6.60
Chinese Fund	57.9	60.3		9.30
Precious Metal Fund	129.8	135.1		0.30
Vanguard Cmdy Fd.	40.2	41.3		2.26
Financial Futures Fd.	118.5	123.4		—
Wren Intl. Fnd.*	$0.782	0.814		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ø Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982 High	1982 Low	Stock	Price £	+ or −	Yield Int	Yield Red.
100	94⅝	Exch 8¼pc 1983	100	+⅛	8.75	9.34
98⅝	91	Exch 3pc 1983	98½	+⅛	3.05	9.90
101¼	95¼	Treasury 12pc 1983‡‡	100⅝	+⅛	11.93	9.69
100⅝	92⅞	Treasury 9¼pc '83	99¹¹⁄₁₆	+⅛	9.29	9.70
104⅝	96⅞	Exch 13½pc '83	103½	+⅛	11.09	9.96
101¼	91⅞	Exch 10pc 1983	100 xd	+¼	9.99	9.95
98¼	87⅞	Funding 5½pc '82-84‡‡	96¼	+⅛	5.68	8.56
103¼	91⅞	Exch 11¼pc 1984	101¼	+¼	11.11	10.31
107¼	96½	Exchequer 14pc 1984	105	+⅛	13.33	10.40
94½	81⅛	Exch 3pc 1984	93¾xd	+¼	3.20	7.35
105¼	91½	Treasury 12pc 1984	102⅛	+⅛	11.66	10.15
112	96¼	Treasury 15pc 1985	107⅞	+⅛	13.90	10.82
112¼	89½	Exch 12pc Cnv. '85	105⅛	+⅛	11.42	9.46
91¼	73½	Treasury 3pc 1985	89¾	+¼	3.34	7.64
105½	87½	Treasury 11½pc 1985	101¼	+⅛	11.38	11.02
26¼	23½	Treas 8¾pc Cv 85 £25pd	23¼	+¼	0.77	9.16
107⅝	88⅝	Exch 12¼pc 1985	103¼	+½	11.84	11.02
106⅝	86⅛	Exch 11¾pc '86	102	+½	11.52	10.95
89½	69	Treasury 3pc 1986	88	+⅛	3.41	6.97
107¼	86¼	Treasury 12pc '86	102⅞xd	+⅛	11.66	11.08
100	80⅝	Treasury 8¾pc '84-86‡‡	97¼	+⅛	8.78	9.23
116¼	96⅝	Treas. 12¾pc '86 Cnv	107¼	+1⅛	11.37	9.62
114	91⅞	Exch 14pc 1986	109⅝	+⅛	12.77	10.80
112	90	Exch. 13¼pc 1987	106¼	+⅛	12.41	11.10
103½	98¼	Exch 10½pc 1987	99⅛	+⅛	10.59	10.78
94⅝	73⅞	Funding 6½pc '85-87‡‡	93	+⅛	6.99	0.44
85¼	64½	Treasury 3pc 1987	83¼	+⅛	3.58	7.20
109	85⅞	Treas 13pc 1987	103¼	+¼	11.57	10.99

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
200	75	Falcon Rh. 50c	180		025c	10 3	0 0
33	18	Wankie Col. Z$1	20		t03c	1.2	8 4
21	12	Zam Cpr SBD0.24	13		—	—	—

Australians

[illegible]

Tins

[illegible]

Miscellaneous

1982 High	Low	Stock	Price	+ or -	Div. Net	C'vr	Y'ld Gr's
48	20	Anglo-Dominion	37	...	—	—	—
16½	12	Burma Mines 10p	14	.	0 55	1 0	5.6
130	27	Colby Res. Corp.	80	...	—	—	—
310	170	Cons. Murch. 10c.	310	.	t060c	1.9	‡
8	1½	‡‡Explaura Gold	4½	..	—	—	—
105	55	Highwood Res.	77	..	—	—	—
£29⅛	£25	Homestake Mining $1	£29⅛	+⅛	040c	—	0 8
255	160	Northgate C$1	235	+5	—	—	—
473	344	R.T.Z.	433	+5	16 0	1.6	5 3
£119½	£84	Do 9½% Cnv Ln 95-2000	£104	+1	09½%	23.9	9.5
20	11	Sabina Inds. C$1	14	.	—	—	—
44	27	‡Southwest C 10p	41	...	‡—	—	—
500	270	Tara Explm. $1	295	...	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- ∅ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ¶ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ∥ No par value.

B Fr. Belgian Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	46	.
Bertrams	17∅	
Bdg'wtr. Est. 50p	465	..
Craig & Rose £1	£12½	
Finlay Pkg. 5p	33	.
Graig Ship £1	£23	.
Higsons Brew.	95xd	
Holt (Jos.) 25p	830	+10
I.O.M. Stm. £1	82	
Pearce (C. H.)	£11¼	
Peel Hldgs.	157	
Sindall (Wm.)	280	

IRISH

Exch. 15pc 1983	£100⅞	.
Nat. 9¾% 84-89	£82⅛	+¼
Fin. 13% 97/02	£86¼	+⅛
Alliance Gas	110	
Arnott	195	..
Carroll (P. J.)	82	
Concrete Prods.	60	
Heiton (Hldgs.)	20	...
Ins. Corpn. Ireland	390	..
Irish Ropes	27	..
Jacob	66	..
T M G	5	.
Unidare	44	

OPTIONS

3-month Call Rates

Industrials		House of Fraser	13	Utd. Drapery	7
Allied-Lyons	15	I C I	24	Vickers	12
BOC Grp.	17	"Imps"	10	Woolworth Hld.	13
B.S.R.	6	I C L	8		
Babcock	10	Ladbroke	16	**Property**	
Barclays Bank	35	Legal & Gen.	28	Brit. Land	7½
Beecham	35	Lex Service	16	Cap. Counties	12
Blue Circle	44	Lloyds Bank	35	Land Secs.	26
Boots	22	"Lots"	4	MEPC	17
Bowaters	19	London Brick	11	Peachey	14
Brit. Aerospace	20	Lucas Inds.	12	Samuel Props.	10
B A T	50	"Mams"	12	Town & City	3
Brown (J.)	4	Marks & Spncr.	16		
Burton Ord.	24	Midland Bank	30	**Oils**	
Cadburys	11	N E I	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	12
Debenhams	8½	P & O Dfd.	14	Charterhall	5
Distillers	20	Plessey	50	KCA	0
Dunlop	5½	Racal Elect.	45	Premier	4
Eagle Star	30	R H M	6	Shell	35
F N F C	4	Rank Org. Ord.	15	Tricentrol	22
Gen. Accident	30	Reed Intnl.	26	Ultramar	42
Gen. Electric	24	Sears	9		
Glaxo	90	T I	13	**Mines**	
Grand Met.	25	Tesco	8	Charter Cons.	20
G U S "A"	50	Thorn EMI	38	Cons. Gold	40
Guardian	35	Trust Houses	13	Lonrho	8
G K N	15	Turner & Newall	4	Rio T. Zinc	42
Hawker Sidd.	30	Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

Companies and Markets **CURRENCIES, MONEY and CAPITAL MARKETS**

FOREIGN EXCHANGES

Dollar eases in erratic trading

The dollar showed mixed changes in currency markets yesterday. Trading was quite active with the market initially looking for a continuation of the dollar's recent bearish trend. However rates fluctuated during the day amid bouts of profit taking. Early trading in New York saw the dollar move firmer.

Sterling continued to improve although it tailed away in late trading to finish below its best levels but up from Tuesday's close.

DOLLAR — Trade weighted index (Bank of England) 121.5 against 115.4 six months ago. High interest rates and above target money supply had been keeping the dollar firm, but a recent switch in emphasis so that attention is now focused on rising trade and budget deficits and expectations of lower interest rates has pushed the dollar steadily weaker — The dollar rose to *DM 2.4750* from *DM 2.4710*, but was unchanged against the French franc and Swiss franc at FFr 6.9875 and SwFr 2.12 respectively. It eased in terms of the yen to Y249.6 from Y249.9.

STERLING — Trading range against the dollar in 1982 is 1.9265 to 1.58375. November average 1.6338. Trade weighted index 86.8 against 87.0 at noon and the opening and compared with 86.7 on Tuesday and 90.5 six months ago. The pound has recovered slightly, after falling close to an all-time low against the dollar. The rise in London interest rates has also helped sterling stabilise against Britain's European partners, but there is still some nervousness about the world oil price situation and expectations of a worsening balance of payments—Sterling touched a best level of $1.6350 in early trading but fell back on dollar strength in the afternoon to finish at $1.6280-$1.6290, a rise of 50 points. It rose against the D-mark to 4.03 from 4.01.

D-MARK — Trading range against the dollar in 1982 is 2.5940 to 2.2410. November average 2.5536. Trade weighted index 127.5 against 124.1 six months ago. The D-mark is strong, helped by an improving balance of payments position and confidence in the Government's economic policy. It has benefited recently from the weakness of sterling and an easier dollar—The dollar was fixed at DM 2.4584 in Frankfurt yesterday down from Tuesday's level of DM 2.4872 and there was no intervention by the Bundesbank at that time. The fixing level was up slightly from an opening quotation of DM 2.4535 and soon after the fixing, the dollar moved above DM 2.4600 in what was seen as a technical reaction to its recent sharp fall. Sterling was higher at DM 4.0130 from DM 4.0050 and the Swiss franc moved slightly firmer to DM 1.1646 from DM 1.1643.

BELGIAN FRANC — Trading range against the dollar in 1982 is 50.21 to 38.12. October average 49.05. Trade weighted index 93.8 against 95.4 six months ago. The Belgian franc has fallen sharply against the D-mark in the past year, prompting the Government to introduce austerity measures to counter a weak economy and large budget deficit—The Belgian National Bank spent the equivalent of BFr 4.8bn in the past week in the foreign exchange market according to figures released yesterday. This was up from a figure of BFr 1.4bn the week before. However it seems likely that this is more a reflection of the authorities' attempts to cover their trade deficit rather than renewed pressure on the franc. This was underlined by the sharp narrowing between the free and official Belgian franc rates where the gap has shrunk to around 2 per cent from nearer 15 per cent earlier this year. At yesterday's fixing in Brussels the dollar fell to BFr 48.30 from BFr 48.7550 while the D-mark improved to BFr 19.6220 from BFr 19.61725.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.5394	+1.27	+1.53	±1.5901
Danish Krone ...	8.23400	8.16303	−0.86	−0.60	±1.6430
German D-Mark	2.33379	2.31867	−0.65	−0.39	±1.0888
French Franc ...	6.61387	6.55495	−0.89	−0.63	±1.3940
Dutch Guilder ...	2.57971	2.55547	−0.94	−0.68	±1.5034
Irish Punt ...	0.691011	0.690399	−0.09	+0.17	±1.6691
Italian Lira ...	1350.27	1340.14	−0.75	−0.75	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Dec. 1 — [illegible]

*Selling rates.

CURRENCY MOVEMENTS

Dec. 1 — Bank of England Index; Morgan Guaranty Changes% — [illegible]

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Dec. 1 — Bank rate %; Special Drawing Rights; European Currency Unit — [illegible]

* CS/SDR rate for Nov. 30: 1.33559.

THE POUND SPOT AND FORWARD

Dec 1 — Day's spread; Close; One month; % p.a.; Three months; % p.a. — [illegible]

Belgian rate is for convertible francs. Financial franc 80.10-80.20. Six-month forward dollar 0.18-0.28c dis, 12-month 0.60-0.65c dis.

THE DOLLAR SPOT AND FORWARD

Dec 1 — Day's spread; Close; One month; % p.a.; Three months; % p.a. — [illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.15-49.25.

EXCHANGE CROSS RATES

Dec. 1	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.629	4.030	406.5	11.375	3.555	4.535	2321.	2.023	78.70
U.S. Dollar	0.614	1.	2.470	249.5	6.985	2.130	2.723	1425.	1.242	48.33
Deutschemark	0.248	0.404	1.	100.9	2.825	0.857	1.100	575.9	0.502	19.53
Japanese Yen 1,000	2.460	4.006	9.914	1000.	27.98	8.492	10.91	5710.	4.977	193.6
French Franc 10	0.870	1.432	3.543	357.4	10.	3.037	3.922	2040.	1.779	69.12
Swiss Franc	0.289	0.471	1.166	117.7	3.292	1.	1.284	671.8	0.586	22.76
Dutch Guilder	0.225	0.367	0.908	91.66	2.565	0.779	1.	523.3	0.456	17.73
Italian Lira 1,000	0.431	0.702	1.736	175.1	4.901	1.469	1.011	1000.	0.972	33.91
Canadian Dollar	0.494	0.805	1.990	200.0	0.625	1.708	2.192	1147.	1.	38.90
Belgian Franc 100	1.271	2.060	5.121	519.5	14.40	P.390	5.635	2940.	2.571	100.

FINANCIAL FUTURES

Eurodollars firmer

Euro-dollar prices were firmer in the London International Financial Futures Exchange yesterday. Prices opened surprisingly firmer in rather thin trading with part of the rise attributed to early short covering. Opening at 89.82, the March contract continued to edge firmer through the opening of Chicago with a best level of 89.98. Profit taking later in the day saw prices ease back with Euro-dollars for March delivery finishing 7 basis points up at 89.89. Total lots traded fell, with the volume in all dates amounting to 1,046 down from 1,583 on Tuesday.

Some dealers noted a gradual shift in interest, with the market tending to take a longer term view, conceding that end of year pressures may create some distortions in the short end and that U.S. interest rates seemed set for a continued decline.

Gilt prices opened firmer and tended to move in line with the cash market. There was a small downturn during the morning followed by a brief flurry around lunchtime. However the weaker trend was re-established during the afternoon, reflecting some profit taking, with the March price finishing at its low for the day of 101-15 compared with a high of 101-30 and Tuesday's close of 100-30. Volume showed an encouraging upturn with total lots traded amounting to 1,088 up from 728. Sentiment was undoubtedly influenced by sterling's continued appreciation in the spot market.

The start of yen trading in the currency pit passed without any surprises with attention focussed on the D-mark and its stronger performance against the dollar.

Short sterling prices continued to improve, reflecting a continued fall in the cash market. Three-month sterling for March delivery opened at 90.55 and rose to 90.67 at the finish up from Tuesday's close of 90.25.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.39	90.48	90.35	90.26
March	89.89	89.98	89.82	89.82
June	89.44	89.55	89.44	89.46
Sept	89.20	89.30	89.20	89.20
Dec	88.90	88.90	88.90	88.90

Volume 1,221 (1,583)
Previous day's open interest 2,096

THREE-MONTH STERLING DEPOSIT — [illegible]

20-YEAR 12% NOTIONAL GILT — [illegible]

CERT. DEPOSIT (IMM) — [illegible]

THREE-MONTH EURODOLLAR (IMM) — [illegible]

STERLING £25,000 $ per £ — [illegible]

DEUTSCHE MARKS DM 125,000 $ per DM — [illegible]

GNMA (CBT) 8% $100,000 — [illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr — [illegible]

JAPANESE YEN Y12.5m $ per Y100 — [illegible]

CHICAGO

U.S. TREASURY BONDS (CBT)
Standard Indiana 2½ to $38½

	Latest	High	Low	Prev
Dec	75-08	76-04	75-06	75-13
March	74-21	75-17	74-10	74-28
June	74-08	75-06	74-07	74-17
Sept	74-01	74-26	74-01	74-08
Dec	73-25	74-17	73-24	74-02
March	73-23	74-14	73-23	73-30
June	74-00	74-08	73-26	73-28
Sept	73-31	74-07	73-25	73-27
Dec	73-30	74-06	73-24	73-26

U.S. TREASURY BILLS (IMM) $1m points of 100% — [illegible]

MONEY MARKETS

UK interest rates continue to ease

Interest rates continued to ease in London yesterday, reflecting a renewed confidence underpinned by sterling's stronger performance. Longer term interbank rates slipped below the 10 per cent level while sterling CDs registered falls of around ⅛ of a point.

The Bank forecast a shortage of around £600m with factors affecting the market including bills maturing in official hands and a net take-up of Treasury bills −£493m and the unwinding of previous sale and repurchase agreements −£180m as well as a rise in the note circulation of £100m. These were partly offset by Exchequer transactions of +£130m. The Bank gave assistance in the morning of £163m, comprising purchases of eligible bank bills at 10 per cent, £33m in band 1 (up to 14 days), £123m in band 2 (15-33 days) and £8m in band 3 (34-63 days).

Further assistance was given in the afternoon through direct purchases of £396m of bills all at 10 per cent, making a grand total of £559m. The afternoon help comprised £80m of Treasury bills and £79m of eligible bank bills in band 1 and in band 2 £12m of Treasury bills and £96m of eligible bank bills. In band 3 it bought £9m of local authority bills and £94m of eligible bank bills and in band 4 (64-84 days) £56m of eligible bank bills.

In Frankfurt the Bundesbank announced that it would not be holding a press conference after today's meeting of the central council. This is normally taken as a sign that key lending rates and credit policies will remain unchanged. However, this is in direction contradiction to recent speculation concerning lower rates with the latter seen as the result of a weaker dollar and attempts to stimulate the German economy.

In Amsterdam interest rates were a little easier, reflecting an announcement by the authorities of a further special advance facility for the period December 2-8. This will replace an existing facility which expired yesterday of Fl 3.78bn at 6¼ per cent. Yesterday's new advance totalled Fl 3.895bn at an unchanged rate of 6¼ per cent.

LONDON MONEY RATES

Dec. 1 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	0½-11¼	—	—	—	10¼-10½	0-10	—	—	—
2 days notice	—	—	10⅛-10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-10⅝	10⅛	—	—	—	9¾-10	—	—	—
One month	10⅝-10¼	[illegible]	10⅛	10¾-10⅝	10⅝	10½-20⅝	10	[illegible]	[illegible]	[illegible]
Two months	10¼-10⅛	10⅛-10[illegible]	10-10¼	10⅝-10¼	10¼	10¾	9¼-07⅞	10-10⅛	0¾-10	10⅝
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period October 6 to November 2 1982 (inclusive): 9.793 per cent. [illegible]

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 1 — Short term; 7 days notice; Month; Three Months; Six months; One Year — [illegible]

MONEY RATES

NEW YORK — [illegible]

GERMANY — [illegible]

FRANCE — [illegible]

JAPAN — [illegible]

SWITZERLAND — [illegible]

NETHERLANDS — [illegible]

$ CERTIFICATES OF DEPOSIT — [illegible]

LONG TERM EURO $ — [illegible]

SDR LINKED DEPOSITS — [illegible]

ECU LINKED DEPOSITS — [illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. DECEMBER 1)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 3/4	offer 9 7/8	bid 10 1/16	offer 10 3/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

PUBLIC NOTICES

INSURANCE COMPANIES ACT 1981

NOTICE OF APPROVAL OF TRANSFER OF BUSINESS

[illegible]

INVESTIGATION BY THE MONOPOLIES AND MERGERS COMMISSION—PROPOSED ACQUISITION OF FITCH LOVELL PLC BY LINFOOD HOLDINGS PLC

[illegible]

PERSONAL

PUBLIC NOTICES

[illegible]